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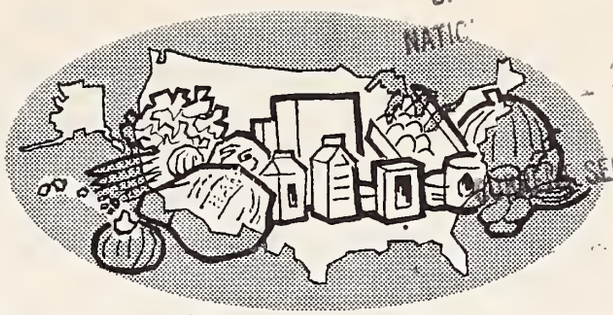
NATIONAL FOOD SITUATION



NFS-103 For Release February 8, P. M. JANUARY 1963

SUMMARY

● Winter and early spring food supplies should continue ample for domestic needs and still allow large exports. Retail food prices overall in the first half of this year are expected to average about the same as a year earlier.

● Production of livestock food products is increasing this quarter. Meat supplies in the first half of 1963 likely will be considerably above the same period in 1962. This quarter is the low-supply season for foods such as fresh vegetables, some fresh fruits and fishery products, but the processed forms of these foods are in large supply.

● Freeze damage has cut back supplies of fresh citrus fruits and some tender vegetables. Banana and sugar imports were curtailed during the recent shipping strike on the East and Gulf Coasts, but shipments of these items are moving again.

● Consumer expenditures for food in 1962 are estimated at about $74 billion somewhat more than 4 percent larger than in 1961. Per capita food outlays increased 2.8 percent, along with the 3.6 percent gain in per capita consumer income. The volume of food consumed per person in 1962 was about the same as in 1961, with gains in meats and fats and oils offset by declines in the consumption of dairy products and fresh fruits and vegetables.

● In 1963 total consumer expenditures for food likely will increase but probably not as much as the 4 percent increase in 1962. Per capita consumption of food may increase a little in 1963, particularly consumption of meats and poultry.

● Slightly lower average retail prices for some livestock products may result from the expected larger supplies of livestock products in 1963. Prices of foods from crops may be a little higher. But little, if any, change in the all-food price level is indicated for the year as a whole, compared with 1962. Retail food prices in the first quarter of 1963 may be about the same as the last quarter of 1962, but slightly above a year earlier.

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Table 1.--Volume of farm marketings and home consumption and civilian per capita food consumption, 1935-39 averages, 1954-61 and estimates for 1962, with percentage comparisons

(Index numbers, 1947-49=100)

Item	1935-39 average	1954	1955	1956	1957	1958	1959 1/	1960 1/	1961 1/	1962 Preliminary 1/ 2/	1962 as a percentage of 1935-39	1962 as a percentage of 1961
Marketings and home consumption of all farm commodities 3/	73	108	112	117	112	119	124	127	130	130	178	100
Food grains 4/	54	92	81	90	78	109	104	114	111	96	178	86
Vegetables 5/	88	95	97	101	100	100	101	102	107	104	118	97
Fruit and nuts 6/	89	99	103	105	103	103	110	104	108	109	122	101
Sugar crops	106	117	107	107	122	120	130	134	148	163	154	110
Total food crops 7/	74	93	91	96	91	105	104	107	109	102	138	94
Meat animals	73	112	119	125	120	1/117	125	126	129	131	179	102
Poultry and eggs	63	124	122	134	137	1/145	151	150	162	159	252	98
Dairy products	88	106	107	110	111	1/110	109	110	113	113	128	100
Total food livestock 8/	75	112	116	123	121	1/120	126	126	131	132	176	101
Food marketings and home consumption.	75	108	110	116	113	116	120	122	125	124	165	99
Civilian per capita food consumption ..	91	101	102	104	102	101	103	103	103	103	113	100

1/ Incorporates revisions based on the 1959 Census of Agriculture. 2/ Estimates for 1962 are based on calendar-year quantities estimated as of December 1962. 3/ Food and nonfood items. 4/ Wheat, rye, rice, and buckwheat. 5/ Truck crops for fresh use and processing, potatoes, sweetpotatoes, dry edible beans, dry field peas, mung beans. 6/ Except peanuts. 7/ In addition to the crops listed above, includes peanuts, peppermint, popcorn, spearmint, and vegetables grown under glass. 8/ Also includes honey, but excludes turkey hatching eggs.

Table 2.--Index of net supply-utilization of farm commodities, 1947-49 and 1957-59 averages, and 1950-62 1/

Year	Net production 2/	Net imports 3/	Stock change 4/	Net utilization	Domestic use: Food: Civilian	Domestic use: Food: Military 5/	Domestic use: Net nonfood 6/	Exports and shipments
			Section a. Percentage of net utilization in each year					
1947-49	91.4	11.5	-2.9	100.0	75.1	3.3	13.2	8.4
1957-59	90.2	11.6	-1.8	100.0	76.0	1.4	10.9	11.7
1950	87.3	12.4	.3	100.0	75.2	1.7	14.2	8.9
1951	85.4	11.6	3.0	100.0	72.7	3.4	13.3	10.6
1952	91.6	11.6	-3.2	100.0	75.8	2.5	12.5	9.2
1953	92.9	12.0	-4.9	100.0	77.0	2.3	12.7	8.0
1954	93.5	10.6	-4.1	100.0	77.5	2.0	11.6	8.9
1955	93.0	11.0	-4.0	100.0	77.1	1.7	11.9	9.3
1956	90.1	10.8	-.9	100.0	75.3	1.6	11.5	11.6
1957	88.4	10.7	.9	100.0	75.0	1.4	10.7	12.9
1958	93.2	11.4	-4.6	100.0	76.6	1.5	10.8	11.1
1959	89.4	12.7	-2.1	100.0	76.1	1.4	11.3	11.2
1960	90.5	11.6	-2.1	100.0	74.4	1.2	10.6	13.8
1961	87.9	12.1	7/	100.0	74.5	1.4	10.4	13.7
1962 8/	87.9	12.6	-.5	100.0	75.0	1.3	10.0	13.7
			Section b. Percentage of net utilization in 1957-59					
1947-49	78.0	9.8	-2.5	85.3	64.0	2.8	11.3	7.2
1957-59	90.2	11.6	-1.8	100.0	75.9	1.4	10.9	11.8
1950	76.2	10.8	.3	87.3	65.6	1.5	12.4	7.8
1951	76.6	10.4	2.7	89.7	65.2	3.0	12.0	9.5
1952	81.5	10.3	-2.8	89.0	67.5	2.3	11.1	8.1
1953	83.6	10.8	-4.4	90.0	69.3	2.1	11.4	7.2
1954	84.9	9.6	-3.8	90.7	70.3	1.8	10.5	8.1
1955	88.1	10.4	-3.8	94.7	73.1	1.6	11.2	8.8
1956	90.2	10.8	-.9	100.1	75.4	1.6	11.5	11.6
1957	88.4	10.8	.9	100.1	75.1	1.4	10.7	12.9
1958	91.2	11.1	-4.4	97.9	75.0	1.4	10.6	10.9
1959	91.2	12.9	-2.1	102.0	77.7	1.4	11.5	11.4
1960	95.6	12.3	-2.2	105.7	78.6	1.3	11.2	14.6
1961	94.6	13.0	7/	107.6	80.2	1.5	11.2	14.7
1962 8/	96.2	13.9	-.6	109.5	82.1	1.5	11.0	14.9

1/ The term "net" in this table means that commodities used for feed and seed are excluded to avoid double counting. Developed from quantitative data on supply and use of processed and unprocessed farm products, valued in terms of farm prices (1947-49 prices prior to 1955; 1957-59 prices thereafter). For description of basic procedure see Agriculture Handbook No. 91, Measuring the Supply and Utilization of Farm Commodities. 2/ Excludes feed and seed used from domestic production. 3/ Excludes imports for seed and feed use. 4/ Includes farm and commercial stocks and holdings under Government programs. Negatives indicate increases in stocks from beginning to end of year; positives signify withdrawals from stocks. 5/ Includes civilian feeding in areas occupied by our Armed Forces. 6/ Excludes feed and seed; includes some waste and loss at farm level. 7/ Less than 0.05 percent. 8/ Preliminary.

THE NATIONAL FOOD SITUATION

Approved by the Outlook and Situation Board, January 31, 1963

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Demand for Food

Both domestic and foreign demands for our food are likely to increase again in 1963. Domestic food consumption may increase fractionally more than population growth. Consumer income per capita this year is expected to increase again, but possibly not as much as the gain in 1962. Food expenditures per capita are also expected to increase further in 1963.

In 1962, disposable personal income increased substantially -- a little more than 5 percent over 1961. Food outlays probably totaled around $74 billion, somewhat more than 4 percent larger than a year earlier. Consumer expenditures per person for food increased 2.8 percent from 1961 to 1962. Because per capita consumption of food was about the same as in 1961, increased expenditures for food reflected the rise in retail food prices, further increases in quantity of marketing and processing services, and continued shifts to higher valued foods.

Food continued to take a smaller and smaller share of the consumer's dollar. In 1962, only about 19 percent of consumer disposable income was spent for food and related services, as contrasted to 26 percent in 1947-49.

Retail sales in grocery stores for 1962, including more and more nonfood items every year, are estimated to be almost $4\frac{1}{2}$ percent over 1961, while sales in eating and drinking places increased around $5\frac{1}{2}$ percent.

Exports of food last year are estimated to have been near the record-large quantity exported in 1961. They were especially strong for fats and oils, while grains decreased some. Early in 1963, food exports were slowed by the shipping strike, but with shipping moving again, these exports will increase.

Table 3.--Apparent civilian per capita consumption of major food commodities, primary distribution weight, calendar years, 1947-49 and 1957-59 averages, 1960-62 and forecasts for 1963, with percentage comparisons 1/

Commodity	Average 1947-49	Average 1957-59	1960 2/	1961 2/	1962 Preliminary 2/	Forecast for 1963 2/	1963 as a percentage of 1947-49	1963 as a percentage of 1957-59	1963 as a percentage of 1962
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Percent	Percent	Percent
Meats (carcass weight) - Total	148.5	156.6	161.4	161.0	163.7	165	111	105	101
Beef	65.6	82.1	85.2	88.0	89.1	91	139	111	102
Veal	9.7	7.1	6.2	5.7	5.5	5.2	54	73	95
Lamb and mutton	4.8	4.4	4.8	5.1	5.1	4.5	94	102	88
Pork (excluding lard)	68.4	63.0	65.2	62.2	64.0	64.5	94	102	101
Fish (edible weight) - Total	10.5	10.5	10.4	10.9	10.9	3/	---	---	---
Fresh and frozen	6.0	5.8	5.8	6.0	3/	3/	---	---	---
Canned 4/	3.9	4.1	4.0	4.3	3/	3/	---	---	---
Cured	.6	.6	.6	.6	3/	3/	---	---	---
Poultry products									
Eggs (farm basis) - Number	385	356	334	325	323	317	82	89	98
Chicken (ready-to-cook)	18.7	27.5	28.2	30.3	30.2	31.0	166	113	103
Turkey (ready-to-cook)	3.3	6.0	6.2	7.5	7.1	7.1	215	118	100
Dairy products									
Total milk fat solids	29.5	25.6	24.5	24.0	23.9	23.6	80	92	99
Total nonfat milk solids	42.9	44.2	44.0	43.4	42.8	42.4	99	96	99
Cheese	7.0	7.9	8.4	8.5	9.0	9.2	131	116	102
Condensed and evaporated milk	20.1	14.8	13.8	13.3	12.5	12.1	60	82	97
Fluid milk and cream	359	337	325	314	312	306	85	91	98
Ice cream (product weight)	18.7	18.4	18.3	18.0	17.9	17.9	96	97	100
Fats and oils - Total, fat content 5/	42.4	45.3	45.4	45.3	46.5	46.3	109	102	100
Butter, farm and factory (actual weight)	10.6	8.2	7.5	7.4	7.4	7.3	69	89	99
Margarine (actual weight)	5.6	8.9	9.4	9.5	9.3	9.4	168	106	101
Lard	12.4	9.3	7.7	7.7	7.7	7.7	62	83	100
Shortening	9.6	11.4	12.6	12.8	13.2	13.2	138	116	100
Other edible fats and oils	7.3	10.8	11.5	11.2	12.0	12.0	164	111	100
Cooking and salad oils 6/	3/	3/	10.5	10.5	11.5	11.5	---	---	100
Other edible	3/	3/	1.0	.7	.5	.5	---	---	100
Fruits									
Fresh (farm weight) - Total	132.1	98.8	97.5	92.1	88.1	3/	---	---	---
Citrus	54.8	33.5	33.3	30.4	28.9	22.9	42	68	79
Apples (commercial)	25.5	21.6	20.1	18.6	19.1	3/	---	---	---
Other (excluding melons)	51.8	43.7	44.1	43.1	40.1	3/	---	---	---
Processed:									
Canned fruit	18.9	22.5	22.9	23.5	23.6	3/	---	---	---
Canned juices	15.9	13.8	13.9	13.1	12.7	3/	---	---	---
Frozen (including juices)	3.2	8.6	9.1	8.9	9.5	3/	---	---	---
Dried	3.9	3.3	3.1	3.2	2.9	3/	---	---	---
Vegetables									
Fresh vegetables and melons (farm weight) 7/	147.9	129.4	131.7	129.9	127.3	3/	---	---	---
Fresh vegetables	120.5	104.3	106.0	105.1	103.9	3/	---	---	---
Melons	27.4	25.1	25.7	24.8	23.4	3/	---	---	---
Canned	39.1	44.5	44.5	44.7	45.1	3/	---	---	---
Frozen	2.9	8.2	9.8	10.0	10.6	3/	---	---	---
Potatoes (farm weight) 8/	114	103	102	103	103	3/	---	---	---
Sweetpotatoes (farm weight) 8/	12.6	7.2	6.3	5.7	6.3	3/	---	---	---
Dry edible beans	6.7	7.7	7.3	8.0	8.0	3/	---	---	---
Sugar, refined	95.2	96.1	97.6	97.8	97.3	97.5	102	101	100
Grains									
Corn products: Cornmeal	12.9	7.7	7.4	7.2	7.0	6.8	53	88	97
Corn sirup	9.9	9.4	10.2	10.6	11.4	11.5	116	122	101
Cornstarch	1.8	1.9	1.8	1.8	1.9	1.9	106	100	100
Corn sugar	4.2	3.6	3.7	3.7	3.9	4.0	95	111	103
Breakfast cereals	1.5	1.8	1.8	1.8	1.8	1.8	120	100	100
Hominy	2.8	2.9	3.0	3.0	3.0	3.0	107	103	100
Oat food products	3.3	3.5	3.5	3.5	3.5	3.5	106	100	100
Barley food products 9/	1.6	1.0	1.0	1.0	1.0	1.0	63	100	100
Wheat:									
Flour 10/	137	120	118	118	118	117	85	98	99
Breakfast cereals	3.2	2.8	2.7	2.7	2.6	2.6	81	93	100
Rye flour	1.4	1.2	1.2	1.1	1.1	1.1	79	92	100
Rice, milled	4.9	5.6	5.9	5.9	6.2	6.2	127	111	100
Beverages									
Coffee 11/	18.2	15.8	15.8	15.7	16.0	3/	---	---	---
Tea	.58	.60	.60	.60	.63	3/	---	---	---
Cocoa beans	4.1	4.0	4.1	4.4	4.5	3/	---	---	---
Peanuts (shelled)	4.4	4.6	4.9	4.9	5.0	3/	---	---	---

1/ Quantity in pounds except for eggs which are stated in number. Data on calendar year basis except for dried fruits, which are on pack year basis; fresh citrus fruits, dry field peas, and peanuts on a crop year basis; rice on August 1 year; and canned fruits and vegetables on pack year basis in 1935-39. All years begin in the year indicated except for fresh citrus, which begins in October of the previous year, and rice, which begins in August of previous year. 2/ Excludes Alaska and Hawaii. 3/ Not available. 4/ Excludes canned food products containing small quantities of fish, such as clam chowder, etc. 5/ Computed from unrounded data. 6/ Fully processed liquid vegetable oils. Including use in mayonnaise and salad dressings, potato products, bakery products, and in fish canning, etc. 7/ This series covers total commercial production for sale as fresh, both for shipment to distant markets and for local markets. Excludes farm garden output for farm household use. 8/ Quantities canned and frozen excluded; included with processed vegetables. 9/ Barley used for food products in terms of malt equivalent. 10/ Includes white, whole wheat, and semolina flour. 11/ Green bean basis.

Population estimates used to obtain per capita consumption figures are official Census estimates of civilian population.

Food Supplies

Red meat supplies in the first half of this year likely will be up from levels last fall and substantially above a year earlier. There will be considerably more beef and moderately more pork available but less veal and lamb. For the first half of this year, the expected increase in meat supplies likely will yield almost 3 pounds more meat consumption per person than in the same period of 1962.

The winter quarter is a period of low production of fish, but supplies of canned and frozen fishery products are large.

Broiler supplies will probably continue to increase into the summer from the year-end 1962 seasonal low, but the rate of increase will be less than a year earlier in the next few months. Consumption of chicken in 1963 probably will top--possibly by about a pound--last year's record high of 30.2 pounds per capita. Turkey supplies are now down from the high level in the final quarter of 1962, but per capita consumption will increase gradually from the low current levels.

Egg production is increasing seasonally to the usual May peak, but supplies so far this year are below a year earlier. It is likely that for 1963 as a whole egg consumption per capita will resume its downtrend of recent years, after leveling off last year.

Supplies of dairy products, now increasing seasonally, are estimated to be above a year earlier. But on a per capita basis, overall consumption apparently is below year-earlier levels. Per capita consumption of fluid milk and cream in 1963 is expected to decrease relatively more from year-earlier levels than in 1962.

Supplies of food fats and oils are record large, but exports are expected to be quite large again now that the shipping tieup is over. Domestic food use of fats and oils in 1963, now on a seasonal upswing, will increase over 1962 about in line with population growth.

Fresh fruit supplies in early 1963 were cut back by freeze damage to citrus fruits and the slowdown in imports of bananas during the shipping strike. Other fresh fruits are in good supply for this time of year. Supplies of most processed items are up slightly from the unusually large stocks last year.

Fresh vegetable supplies this winter are smaller than usual for this season because of freeze damage to some tender items. But remaining supplies of canned and frozen vegetables are ample to fill most of the supply gaps. Potatoes, in seasonally large supply, are below year-earlier levels but still large compared with trade requirements.

Retail Food Prices

No change is expected in overall retail food prices in the first quarter of 1963 compared with the last quarter of 1962. Prices of livestock products, led by lower prices for beef, pork, and eggs, likely will average lower. However, the lower livestock product prices are expected to be offset by higher average retail prices for foods from crops, particularly fresh fruits and vegetables, and a continued upward trend in prices of the sugars and sweets and cereal and bakery products groups. Compared with a year earlier, retail food store prices in the first quarter may average around 1 percent higher, assuming no further damage to winter crops.

Food prices in the first half of 1963 are expected to average about the same as last year despite higher prices for fruits and vegetables. Lower prices for livestock products are expected to offset higher prices indicated for food from crops in 1963.

Prices for food consumed at home in 1962 averaged only 0.7 percent above those in 1961. Livestock products and food from crops contributed equally to the rise. Each of the major meats increased in price last year, with the largest gains recorded for beef, chicken, and fish. Egg prices declined 5 percent to a near-record low for the postwar period, and a drop in the price support level in April 1962 was reflected in slightly lower average retail prices for dairy products. Fruit and vegetable prices averaged almost 1 percent higher; cereal and bakery product prices were up 2 percent; and beverage prices averaged about 1½ percent lower in 1962. Prices of other food from crops remained about the same as in 1961.

Prices for food consumed away from home continued their steady climb in 1962. Restaurant meal prices increased 2.7 percent over 1961, compared with the 0.7 percent average increase for food consumed at home. Retail prices for all food combined averaged 1 percent over 1961 levels. That increase was at a slightly slower rate than the average for all goods and services other than food, but at a faster rate than for nonfood commodities.

COMMODITY REVIEWS

Meat

Commercial production of red meat in the first quarter of 1963 is expected to be up slightly from the last quarter of 1962 and about 4 percent above the first quarter of 1962. A further gain in meat production is expected in the April-June quarter this year. The red meat supply this year will include more beef and pork but less veal and lamb and mutton.

The increase in meat production in prospect for the first half of this year will furnish almost 4 percent more meat per person than the same period a year earlier. Domestic production of red meat will be supplemented by a larger year-beginning inventory of meat in cold storage than a year earlier and first-half imports of meat expected to about equal to the 794 million pounds imported in the first half of 1962.

Retail meat prices are currently about 4 percent above prices a year ago. They rose slightly from December 1961 to April 1962, dropped slightly in May and June, rose sharply in the summer to the year's high in September, then tapered off during the last quarter of 1962. Changes in retail prices for the various meats in the first half of 1962 were slight, and retail prices during the first half of last year can be considered as relatively steady. This year, increased supplies of beef and pork are expected to push prices for these meats lower than now and a year ago during the late winter and spring. The price drop in beef and pork will be sufficient to lower the retail price index for all meats moderately.

Total beef production in the first half of 1963 is expected to exceed by 8 to 9 percent production a year earlier, with the greatest increase occurring in the April-June quarter. The increase in domestic production of beef will provide almost 3 pounds more beef per person. Consumers in the West will be favored by a somewhat greater increase in supply than consumers in the central and eastern areas.

The increase in beef production is expected to exert downward pressure on retail prices, particularly from March through June, when the volume increase in beef production likely will be greatest. Beef also will meet increased competition during these months from a larger-than-usual supply of pork and from seasonally larger supplies of broilers. The price drop from current levels may be as much as 5 percent by early summer. The increase in beef production will be mainly in the grades and classes of beef sold as fresh cuts. Consumers probably will encounter more frequent and more favorable weekend specials on beef this spring than at any time during the past year.

Veal production in 1962 was the lowest of any year since 1940, but a further decrease is expected this year. Commercial veal production in the first half of this year is expected to provide about 2.3 pounds of veal per person compared with the 2.5 pounds available for the same period last year. However, relatively little change is expected in the price of veal despite the decrease in supply. The larger supplies and lower prices for beef and pork likely will offset the effect of the decrease in production of veal. Therefore, veal prices are expected to remain relatively stable throughout the first half of this year.

Pork production in the first half of 1963 is expected to be 3 to 4 percent larger than production in the first 6 months of 1962, with most of the increase occurring from mid-March through June. Pork production in this period will be a near record for these months. In addition to the increase in pork production, cold-storage holdings of pork on January 1 of this year were 20 percent above a year earlier.

The retail price of pork in the first half of 1962 averaged below year-earlier levels. However, at midyear prices moved above year-earlier levels and in September jumped to a 4-year high in response to the holding action called by the National Farmers' Organization. During the fourth quarter of 1962, prices returned to near year-earlier levels.

Retail prices for pork cuts likely will tend to decline throughout the first half of this year and probably will average below prices a year earlier throughout the late winter and spring. Some seasonal increase in price likely will occur this summer, but prices are not expected to reach the high second half 1962 level.

Lamb production is expected to be down this year, particularly in the first quarter and during September-December. Production of lamb and mutton in the first half probably will furnish barely 2.0 pounds per capita, which is about three-fourths of a pound below the same period a year earlier.

Retail prices for the more popular lamb cuts are currently above last year's prices and likely will edge up slightly through the winter, averaging slightly above the 1962 level through the first half. Part of this increase will be a seasonal one in the spring after the lamb market opens. However, lower prices for competitive meats probably will prevent the price of lamb from rising sharply, even though lamb production this year probably will be the lowest since 1958.

Fishery Products 1/

The domestic catch of fish and shellfish during 1962 amounted to 5.2 billion pounds--the second largest domestic catch. Fish and shellfish for human consumption comprised approximately 2.6 billion pounds of the total, up slightly from 1961. The remainder was for the manufacture of industrial products and animal feed. The record catch was in 1956, when almost 5.3 billion pounds were landed.

Seasonally, the remaining winter months are a period of low production. Landings will increase during the coming spring months, when most commercial fisheries begin full operation. However, because of larger cold-storage holdings than last year, there should be slightly more edible frozen fish and shellfish available during the next few months than in the comparable 1962 period. Cold-storage holdings of edible fishery products on January 1 totaled 218.1 million pounds about 33.1 million more than a year earlier. Adequate stocks of most varieties of canned fishery products were on hand at the beginning of 1963.

Imports of fishery products during the first 11 months of 1962 were higher for most species than in the same period in 1961. Continued high imports are expected during the coming months. Exports in 1962 also were generally higher than a year earlier, except for canned and frozen shrimp, canned sardines, and fresh or frozen oysters.

Retail prices of fishery products in 1962 averaged about 4 percent higher than in 1961. They increased during last summer, decreased a little in early fall, then increased slightly by year's end. Prices should remain at the year-end level during the first part of the next few months but probably will soften slightly toward the end of that period.

1/ Prepared by the Bureau of Commercial Fisheries, Fish and Wildlife Service, U. S. Department of the Interior.

Poultry

Supplies of broilers are increasing but supplies of turkeys are declining from the preholiday period peak. Because changes in demand will be roughly paralleling changes in supplies during the next 3 months, prices to consumers are likely to be relatively stable, averaging about the same as recent levels. In 1963, per capita consumption of all chicken and turkey together is expected to be about 1 pound greater than the 37.3 pounds in 1962. Most or all of the increase probably will be in chicken meat.

Broiler production reached its seasonal low a month earlier in 1962 than in 1961--in November rather than in December--because of a year-end spurt in production. Output will continue to expand into next summer, although the rise will be less than a year ago. However, slaughter in early 1963 will be up from a year before about as follows: January, 20 percent; February, 5-10 percent, and March, 1-2 percent. In the first quarter, retail prices for broilers and fryers are likely to average a little lower than in the last quarter of 1962. Per capita consumption of chicken in 1963 probably will establish a new record high, about 1 pound more than the 30.2 pounds in 1962. Retail prices for all of 1963 may average slightly below 1962.

Per capita consumption of turkey in 1962 is estimated at 7.1 pounds compared with 7.5 pounds in 1961. All of the decrease in use occurred in the main marketing and consumption period, September-December. About two-thirds of the turkey consumption in 1962 occurred during these 4 months. In 1962, turkey prices to producers began the year 7 cents lower than in 1961, but in the main marketing period they averaged 4 cents higher. Per capita turkey consumption this year may be about the same as in 1962.

In the first half of 1963, turkey consumption will be increasing gradually and will exceed current production which is seasonally low. As a result, cold-storage holdings will be steadily reduced during this period. Almost half of the turkey consumed in the first half of the year comes from storage (45 percent in 1962). On January 1, frozen turkey stocks were at 200 million pounds, down from the 263 million-pound record of a year earlier but 38 million greater than the 1957-61 average for the date.

In addition, turkey production in the first half of 1963 will be down a little from January-June 1962. Because of the smaller supplies and a more orderly merchandizing situation this year than last, retail turkey prices in early 1963 may continue at about current levels. However, prices will be much higher than in early 1962.

Eggs

Between 1961 and 1962, annual per capita egg consumption dropped only from 325 eggs to 323. This was a much smaller decline than in recent years, but it does not appear to indicate leveling of the downtrend in egg consumption that has been underway since 1951. It now appears that egg use per capita will fall further in 1963 to about 317 eggs.

Egg production is now expanding seasonally and will reach the high point for the year in May. However, egg output early in the year will likely be below the 1962 level because of a smaller laying flock. Retail prices will soon begin to decline seasonally and will probably reach a low in June. Prices to consumers in October-December averaged 55.4 cents per dozen, 0.4 cent lower than in the same months of 1961. In the first quarter of 1963, retail egg prices are likely to continue close to the year-earlier level.

In the second half of 1963, the size of the Nation's laying flock is likely to be restored to year-earlier size. This is likely to lead to a smaller seasonal decline in egg production from spring to fall than in the same months of 1962 and therefore to less of a seasonal rise in retail egg prices.

Dairy Products

Supplies of dairy products are increasing seasonally as milk production continues at high levels. Total consumption of all dairy products in 1963 is expected to be slightly above 1962, although per capita consumption of fluid milk and cream, butter, and evaporated milk may decline. Retail prices of dairy products were about 1 percent below a year earlier during the last quarter of 1962 and will continue this much lower during the first quarter of 1963. This represents a response to the lower price support level for the first quarter of this year. Prices for the rest of 1963 are likely to approximate those of 1962.

Milk production is increasing seasonally and is expected to be somewhat above a year earlier during the first quarter. During the last quarter of 1962, the rate of increase over a year earlier was slightly under 1 percent. Preliminary data on milk production for the year show 126.5 billion pounds produced, a billion pounds above the 1961 record. Commercial stocks, though lower than a year ago, are above the 1957-59 level.

Current butter, cheese, and nonfat dry milk production is in excess of commercial demand, and substantial quantities are moving to the Commodity Credit Corporation. However, during the first quarter of 1963, CCC purchases of dairy products under the price support program will be below the record high of 4.3 billion pounds of milk equivalent bought a year earlier. In February and March 1962 sales to CCC were high because the April 1 drop in Government purchase prices for butter, cheese, and nonfat dry milk was anticipated. More stable expectations this year, together with slightly larger commercial market for dairy products than a year earlier and only slightly increased production, will keep CCC purchases in February and March below the 1962 February-March level.

Consumption of fluid milk and cream (fluid milk equivalent) from commercial sources is running about the same or a little above a year earlier. The use of fluid milk in the special milk and school lunch programs has increased approximately in proportion to the increase in the number of school children. Consumption in the farm sector continues to fall as the number of people on farms with milk cows continues to decline. Total consumption of fluid whole milk in 1962 was about 1 percent above that of a year earlier and in 1963 may continue to rise. Per capita consumption of fluid milk and cream in 1962 was slightly below the 1961 level. In 1963, per capita consumption is expected to decline a little more.

Present indications are that per capita consumption of butter in 1962 may have been about the same as in 1961. Consumption has been maintained by larger donations of butter from CCC stocks for use in welfare and school lunch programs. Consumption from these donations in 1962 was 13 percent above consumption of butter obtained from all sources. In 1963 these donations are likely to increase somewhat, though less than in the previous 2 years. First quarter 1963 retail prices of butter probably will average about 1¼ cents under a year earlier, due to the lower level of price support. For the rest of this year, butter prices probably will be close to 1962 levels.

Per capita consumption of cheese in 1962 was above a year ago, due to heavy donations of CCC-owned cheese for welfare and school lunch programs. Commercial demand for cheese increased over a year earlier during the closing months of 1962, but for all of 1962 is estimated to be somewhat below 1961. Retail prices for cheese are running only slightly under a year ago and are expected to continue at about the present level through the first half of 1963.

Per capita consumption of nonfat dry milk in 1962 is expected to be down sharply from the 6.2 pounds of 1961, although increasing quantities were moving directly into household consumption which in 1961 amounted to about one-fifth of domestic consumption. The decline relative to 1961 resulted from a drop in the use of nonfat dry milk in food processing, particularly by the baking industry, where new methods have reduced use of nonfat dry milk. In 1962 CCC donations of nonfat dry milk for welfare and school lunch programs increased about 10 percent over 1961, because production of nonfat dry milk was at high levels and CCC buying of this product continued to increase. Movement of nonfat dry milk from CCC-owned stocks into welfare and school lunch programs will likely be expanded this year.

Around 900 million pounds of nonfat dry milk were exported in 1962 under various programs, including Food for Peace which was about 23 percent more than 1961. These exports are expected to continue during the current year at somewhat higher levels.

The supply of evaporated milk was reduced in 1962 because of lower production and a sharp decline in commercial stocks. However, toward the end of 1962, production increased over a year earlier and supplies are ample for the declining domestic demand. Exports of this product have been declining for several years, and this is expected to continue. Retail prices of evaporated milk have varied little since June 1962 and are not expected to change much in the rest of 1963.

Per capita consumption of ice cream in 1962 was slightly under a year earlier, as total production increased 1 percent. Retail prices of ice cream are expected to show little change in the current quarter from prices at the end of 1962. They are running about 1 percent lower than a year ago.

Food Fats and Oils

Total demand for food fats and oils is expected to remain strong throughout 1963. Total disappearance is expected to rise to a new high, due primarily to increased exports. Domestic consumption, now at its seasonal peak, again will absorb record amounts of fat and oil products. Lower stocks next October 1,

the beginning of the marketing year, will reflect mainly inventory reductions of finished products (shortening and cooking and salad oils). Retail prices of food fat commodities should exhibit a fairly stable pattern through this spring. However, butter, margarine, and shortening prices may be down slightly from the comparable period of last year.

Per capita domestic consumption of edible fats and oils in 1963 is expected to average near the 46 pounds (fat content) of recent years. Increased use of liquid-type oil products should lead to record use of cooking and salad oils. Consumption of margarine, shortening, and lard likely will average near levels of last year. Butter donations for welfare and school lunches should help maintain consumption near the 1962 level.

Retail prices for food fats and oils during 1962 decreased in the summer, leveled in the fall, and for the year as a whole, averaged slightly below 1961. Last year, prices for shortening, margarine, and butter ranged between 1-2 percent under a year earlier. Lard was down about 3 percent. Salad dressing prices rose around 2 percent. For 1963, retail prices of food fats and oils should stay close to their fall 1962 levels and, for the year, average slightly below the 1962 level.

The recent dock strike curtailed exports of food fats, but prospects for a record year still seem likely. Exports of food fats in 1962-63 should total around 4.8 billion pounds (including oil equivalent of soybeans) compared with 4.1 billion during 1961-62. Increased amounts of soybean oil and butter appear certain to move. Lard exports will be down, with little change in cottonseed oil. Demand for U. S. food fats and oils will continue strong due to lower olive production in the Mediterranean Basin and smaller exportable supplies of Philippine copra and coconut oil, continued small exports from Red China, and increasing needs in both Europe and Asia.

Exports of edible vegetable oils (cottonseed and soybean oils) in 1962-63 should set a new record of almost 2.2 billion pounds compared with 1.8 billion in 1961-62. The major portion of this increase likely will occur in soybean oil. Little change is seen for cottonseed oil. Around 1.2 billion pounds of these oils are expected to be exported under the Food for Peace Program (all Titles of P.L. 480). This represents about 55 percent of the total edible oils moving abroad, about the same as last year. Increased amounts are anticipated under Titles I (sales for foreign currencies) and IV (long-term credit sales) of P. L. 480, which will more than offset the small drop in Title III (foreign donations) because of the shift to butter.

Fruit

From now until midyear, compared with this period in 1962, total supplies of fresh citrus fruits are expected to be somewhat smaller, the result of freezes in all principal citrus States during December and January. But supplies of apples, pears, and grapes are larger because of increased cold-storage stocks. Although supplies of fresh bananas were short during January because of the shipping strike, now ended, they are expected to be normal soon. Among processed items, indications point to slightly larger supplies of canned fruits and orange juice, the latter at least through winter. Supplies of dried fruits and frozen deciduous fruits are smaller.

Retail prices for fresh citrus fruits generally are expected to be somewhat higher during the first half of this year than in the same period of 1962. But prices for fresh deciduous fruits may not be greatly different from a year earlier. Prices for processed citrus products are expected to remain higher than last fall. During much of the rest of this year, they probably will average above year-earlier prices, which trended downward. Prices for canned fruits may not differ much from those in the first half of 1962.

Lighter supplies of fresh citrus fruit are in prospect from now until at least midyear than in this period of 1962 because of freeze damage during December and January. In Florida, early and midseason oranges (including Temples), tangerines, tangelos, and Valencia oranges, probably were most seriously injured. Grapefruit apparently were injured least. By location, damage was lightest in Florida's southeastern producing areas, especially the lower Indian River area. Since the latter regularly supplies much of the Florida fresh market oranges and grapefruit, including pink and white seedless grapefruit, near normal supplies from this area should still be available.

In California and Arizona combined, early-season prospects were for larger supplies of oranges, both the Navel and miscellaneous group and Valencias, but smaller supplies of grapefruit and lemons in the first half of 1963 than in this period last year. These prospects were altered by cold weather in January, which caused considerable damage to citrus crops. Although the full extent of the damage could not be immediately determined, a result of the freezes was expected to be a significant curtailment of supplies for fresh use. In California and Arizona, most of the damaged citrus is expected to be salvaged by processing. But in Florida, much fruit is expected to be lost despite considerable salvage of early and midseason oranges, normally harvested in September-February. In addition, the Florida Valencia crop, harvested from February to July, is expected to be severly cut. Of the harvested citrus, emphasis in use of sound fruit probably will be in fresh market movement.

Following the Florida freeze in December, retail prices for the reduced fresh market supplies of oranges and grapefruit increased sharply. In January, prices, especially for Florida citrus, were substantially higher than a year earlier. In view of the prospective light supplies on the fresh market, prices probably will continue well above year-earlier levels at least until midyear. Continued high prices for lemons also are expected.

Supplies of fresh deciduous fruits from now to midyear, when new-crop fruit becomes available in volume, regularly consists mostly of apples, pears, grapes, and strawberries. Year-end cold-storage stocks of apples were a little larger than stocks on January 1, 1962, while stocks of pears and grapes were much larger. These fruits probably will be supplemented, as usual, by relatively light imports of the same and other deciduous fruits in late winter and spring as supplies of U. S. -grown fruits diminish seasonally. An exception to

this seasonal pattern is apples, which are received from Canada over much of the year. Winter supplies of fresh strawberries from Florida were delayed by the freezes. But in February, they may appear on the market in good volume. Acreage usually harvested in March and following months is moderately smaller than last year.

Retail prices for most deciduous fruits during the first half of this year may not be greatly different from a year earlier.

Bananas, imported mostly from Central and South American countries, constitute an important element of total U. S. supplies of fresh fruit. In 1961, they made up about 24 percent of fresh fruit consumption. The flow of imports during late December and January was greatly reduced by shipping difficulties. As the supplies in this country dwindled, retail prices rose sharply. Now that shipping has been resumed, supplies should soon become normal and prices can be expected to recede to levels perhaps not greatly different from a year earlier.

Prospective supplies of canned fruits for the first half of this year appear to be a little above the heavy supplies a year ago. The 1962-63 pack of canned fruits, now nearing completion, probably will slightly exceed the record 1961-62 pack. The new packs of peaches and fruit cocktail topped the previous records in 1961-62, and the new pack of canned applesauce, still underway, may do the same. The 1962-63 pack of pears also was up a little, but that of apricots was down considerably. Continued large deliveries of canned pineapple from Hawaii are expected. Supplies of canned noncitrus fruits are regularly at a peak in late summer or early fall as a result of processing new-crop fruit, then decline until the following mid-year. In the first half of 1963, retail prices for the current large supplies of canned fruits probably will be about the same as a year earlier.

Supplies of dried fruits from now until next summer are expected to be somewhat lighter than comparable supplies last year. The reduction is mostly in raisins, of which production is down considerably in the 1962-63 crop year. This is partly offset by larger supplies of dried prunes, the result mainly of increased output. Total supplies of the relatively minor dried fruits in the first half of 1963 are not expected to be greatly different from the first half of 1962. Supplies of dried fruits usually reach a peak in late summer or early fall, then decline until the following summer.

Cold-storage stocks of frozen deciduous fruits (excluding juices), now decreasing to their seasonal low of late spring, were a little smaller on January 1, 1963, than a year earlier. Among major items, stocks of strawberries and cherries were not greatly different from a year earlier, those of apples were moderately larger, and those of peaches were moderately smaller. Total production in 1962 probably was 5 to 10 percent below 1961.

Total supplies of processed fruit juices -- frozen, canned, and chilled-- are likely to continue larger this winter than last. The increase is mainly in

canned orange juice and frozen orange concentrate. Carryover stocks of these two items last fall were much larger than a year earlier, and early-season output has been up sharply as a result of intensive salvage operations to minimize losses of oranges following the Florida freeze. For the same reason, it was expected that canning of California and Arizona oranges, and perhaps grapefruit, would be larger than usual following the January freezes in these States. The larger supply position of orange juice may extend into spring, but sometime later in the year it is expected to fall below the year-earlier volume. Supplies of most other fruit juices, including Hawaiian pineapple juice, during the first half of 1963 probably will be about as large as a year earlier.

Following the Florida freeze in December, prices of frozen orange juice increased considerably. But the course of prices for orange and other fruit juices from now on will depend partly upon the extent of citrus juice production during the rest of the 1962-63 season ending next fall.

Vegetables

Remaining supplies of canned vegetables appear to be moderately larger than a year ago and those of sweetpotatoes considerably larger. But supplies of potatoes available into midspring are smaller than a year earlier, and less fresh vegetables will be available in February-March. Cold-storage holdings of frozen vegetables are about the same as at this time last year. Because of smaller supplies of fresh vegetables than a year earlier, consumption this winter will be down from last winter. But consumption of processed vegetables and sweetpotatoes may be larger than last winter, while consumption of potatoes probably will be near the level of a year earlier.

Because of smaller supplies of a number of items, retail prices of fresh vegetables in February-March are likely to average higher than a year ago. Prices of canned sweet corn, tomato juice and most tomato products into mid-1963 probably will average a little below last year as a result of large supplies. But prices of most other major canned items and overall prices of frozen vegetables are likely to average about the same to slightly higher than those of a year earlier. Retail prices of potatoes for the next 2 or 3 months are expected to average above the depressed levels of a year ago.

Total supplies of fresh vegetables, seasonally light during the winter months, will be smaller in February-March than a year earlier as a result of freezes in the winter producing areas of Florida, California, Arizona, and Texas. Winter supplies of most tender items -- including snap beans, lima beans, sweet corn, green pepper, and tomatoes -- are expected to be down substantially from last winter. Although hardier items suffered less cold damage, supplies of some of these items also are expected to be smaller. With smaller supplies of a number of items, retail prices of most fresh vegetables in February-March probably will average higher than usual, and above those a year earlier.

Remaining supplies of canned vegetables are larger than a year ago. Supplies of canned sweet corn, tomato juice, and most tomato products probably are substantially larger than a year ago, and those of canned tomatoes, green peas, and pumpkin and squash slightly to moderately larger. But holdings of snap beans and cucumber pickles probably are smaller than at this time last year. Overall cold-storage holdings of frozen vegetables, excluding potatoes are about the same as a year ago, with most major items in ample to heavy supply. However, supplies of frozen asparagus and green peas may be a little light relative to trade requirements. Supplies of frozen French fries are substantially larger than a year ago. But prices of most other major canned items, and overall prices of frozen vegetables may average about the same to slightly above those of a year earlier. With substantially larger supplies, retail prices of canned sweet corn, tomato juice, and most tomato products into midspring probably will average a little below those of a year earlier.

Supplies of potatoes usually are heaviest during the fall and winter months. Although supplies are smaller this winter than last, they are still large relative to trade requirements. Into midspring retail prices probably will average the same to slightly above the January level, and will continue above the depressed prices of a year ago.

Supplies of sweetpotatoes remaining for marketing into mid-1963 appear to be materially larger than those of a year ago. Retail prices are expected to rise seasonally into spring, but probably will average moderately to substantially below those of a year earlier.

Cereal Food Products

Per capita consumption of wheat food products showed little change in calendar 1962, while rice registered a moderate increase. There was no perceptible change in the recent consumption pattern of either of these groups in 1962, and no substantial change is expected in 1963. Retail prices of wheat and rice food products will probably continue their upward trend but are not expected to be very different from those in 1962.

Consumption of corn sirup, sugar, and starch continued their upward trend in 1962. In January to November, the combined consumption of these products for domestic use was 8 percent above the same period of 1961. Demand for these products is expected to continue strong in 1963, with per capita consumption of them at least equaling 1962 levels. In 1962, 11.4 pounds of corn sirup were consumed per capita, the highest since 1947 and 8 percent above 1961; 3.9 pounds of corn sugar, up 5 percent; and 1.9 pounds of corn starch, 6 percent higher. Per capita consumption of all corn products for food in 1963 is estimated at 47 pounds, grain equivalent, slightly above the average of the past 5 years. Domestic food use of oats and barley products has been comparatively stable in recent years at about 3.5 pounds per capita for oat products and 1.0 pounds per capita for barley products.

Retail prices of corn and oat cereal products rose moderately in 1962, continuing the upward trend of recent years. The national average retail price for corn flakes in December was 28.1 cents per 12 ounce package, 5 percent from a year earlier. Cornmeal and rolled oat prices rose 6 percent.

Table 4.--Production of major food commodities, calendar years, 1947-49 and 1957-59 averages, 1960-62 and forecasts for 1963, with percentage comparisons 1/

Commodity	Unit	Average 1947-49	Average 1957-59	1960 2/	1961 2/	1962 Preliminary 2/	Forecasts for 1963 2/ 3/	1963 as a percentage of 1947-49	1963 as a percentage of 1957-59	1963 as a percentage of 1962
Meats (carcass weight)										
Beef	Mil. lb.	9,649	13,704	14,727	15,296	15,284	16,300	169	119	107
Veal	Mil. lb.	1,454	1,240	1,108	1,045	1,013	985	68	79	97
Lamb and mutton	Mil. lb.	716	711	768	832	807	710	99	100	88
Pork (excluding lard)	Mil. lb.	10,281	10,957	11,605	11,412	11,861	12,215	119	111	103
Total meats	Mil. lb.	22,100	26,612	28,208	28,585	28,965	30,210	137	114	104
Poultry and eggs										
Eggs 4/	Mil. doz.	5,086	5,475	5,329	5,307	5,336	5,325	105	97	100
Chicken (ready-to-cook) 4/	Mil. lb.	2,753	4,880	5,228	5,830	5,815	6,075	221	124	104
Turkey (ready-to-cook) 4/	Mil. lb.	492	1,065	1,162	1,508	1,310	1,380	280	130	105
Dairy products										
Total milk	Bil. lb.	5/116.3	123.3	122.8	125.5	126.5	127.5	110	103	101
Cheese 6/	Mil. lb.	1,160	1,396	1,478	1,630	1,571	1,668	144	119	106
Condensed and evaporated milk	Mil. lb.	3,497	2,789	2,666	2,624	2,380	2,450	70	88	103
Ice cream (product weight)	Mil. lb.	2,758	3,212	3,348	3,335	3,370	3,425	124	107	102
Fats and oils										
Butter, farm and factory (actual weight)	Mil. lb.	1,611	1,477	1,435	1,536	1,587	1,625	101	110	102
Lard 7/	Mil. lb.	2,419	2,584	2,563	2,517	2,500	2,525	104	98	101
Margarine (actual weight)	Mil. lb.	839	1,549	1,695	1,724	1,720	1,765	210	114	103
Shortening	Mil. lb.	1,434	2,022	2,313	2,456	2,725	2,725	190	135	100
Cooking and salad oil 8/	Mil. lb.	9/	9/	1,915	2,124	2,400	2,400	---	---	100
Other edible fats and oils 10/	Mil. lb.	3,912	7,297	8,603	8,585	9,565	9,625	246	132	101
Total fats and oils (fat content) 11/	Mil. lb.	7,627	11,070	12,321	12,338	13,343	13,458	176	122	101
Fruits										
Fresh:										
Citrus	Mil. lb.	8,783	6,695	6,776	6,360	6,136	5,000	57	75	81
Apples (commercial)	Mil. lb.	3,775	3,972	3,472	3,835	3,700	9/	---	---	---
Other (excluding melons)	Mil. lb.	4,493	4,082	3,911	4,017	4,049	9/	---	---	---
Processed:										
Canned fruit	Mil. lb.	2,597	3,591	3,790	4,057	4,198	9/	---	---	---
Canned fruit juices	Mil. lb.	2,230	2,177	2,160	2,084	2,077	9/	---	---	---
Frozen (including juice)	Mil. lb.	416	1,557	1,620	1,741	2,007	9/	---	---	---
Dried	Mil. lb.	961	697	693	757	669	9/	---	---	---
Vegetables										
Fresh vegetables and melons 12/	Mil. lb.	22,565	24,375	26,094	25,573	25,482	9/	---	---	---
Fresh vegetables	Mil. lb.	18,504	19,921	21,452	21,124	20,979	9/	---	---	---
Melons	Mil. lb.	4,061	4,454	4,642	4,449	4,503	9/	---	---	---
Canned	Mil. lb.	6,086	7,879	8,021	8,814	9,343	9/	---	---	---
Frozen	Mil. lb.	448	1,469	1,953	2,110	2,063	9/	---	---	---
Potatoes	Mil. cwt.	248	252	257	294	268	9/	---	---	---
Sweetpotatoes	Mil. cwt.	25.3	18.2	15.4	15.2	18.5	9/	---	---	---
Dry edible beans 13/	Mil. lb.	1,854	1,797	1,792	2,029	1,883	9/	---	---	---
Dry field peas 13/	Mil. lb.	401	376	324	354	495	9/	---	---	---
Sugar, raw basis	1,000 short tons	2,066	2,732	3,076	3,176	3,280	3,750	182	137	114
Grains										
Wheat	Mil. bu.	1,251	1,178	1,357	1,235	1,092	1,225	98	104	112
Rye	Mil. bu.	23.1	28.3	33.0	27.5	41.2	9/	---	---	---
Rice, milled	Mil. lb.	2,333	2,867	3,529	3,637	3,661	4,297	184	150	117
Corn, grain only	Mil. bu.	2,788	3,409	3,908	3,626	3,644	9/	---	---	---
Oats	Mil. bu.	1,294	1,248	1,155	1,011	1,032	9/	---	---	---
Barley	Mil. bu.	279	447	431	396	429	9/	---	---	---
Peanuts, farmers' stock basis	Mil. lb.	2,128	1,613	1,786	1,743	1,811	9/	---	---	---

1/ Calendar year basis except for fresh citrus fruit for which the season begins in the fall of the previous year; dried fruits on a pack year beginning year indicated; rice on a marketing year ending year indicated. 2/ Excludes Alaska and Hawaii. 3/ Forecasts or preliminary indications based on trends in livestock numbers, current or prospective rates of output, average or probably acreages and yields, and such other data or advance estimates as are available. These estimates are used only to indicate the general level of food supplies for domestic consumption for 1963, but they are based on such official estimates of production as are available at this time. Revisions will of course be made from time to time throughout the year as official indications or estimates are issued through the Crop Reporting Board of the Department. 4/ Includes an allowance for nonfarm production. 5/ Includes an allowance for nonfarm production of 1.1 billion pounds in 1947-49. 6/ Excludes full skim, cottage, pot, and bakers' cheese. 7/ Includes amount used in manufactured food and nonfood products. 8/ Fully processed liquid vegetable oils. Including use in mayonnaise and salad dressings, potato products, bakery products and in fish canning, etc. 9/ Not available. 10/ Includes cottonseed, peanut, soybean, corn, edible olive, and oleo oils, oleo stock, oleostearine, and edible tallow later processed into margarine, shortening, cooking and salad oils, etc., and nonfood items. 11/ Includes butter, lard, and "other edible fats and oils." 12/ This series covers total commercial production for sale as fresh both for shipment to distant markets and for local markets; includes quantities not harvested. Excludes farm garden output for farm household use. 13/ Cleaned basis.

Table 5.--Retail food price indexes and Consumer Price Index, 1935-39 and 1947-49 averages, 1950-59 and 1960-62 by months

(Index, 1957-59=100)

Year and month	Food at home											Food away from home	All food	Consumer Price Index
	Meat 1/	Poultry 2/	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fruits and vegetables	Cereal and bakery products	Sugar and sweets	Beverages	Total			
1935-39	37.8	68.7	28.9	60.3	45.9	65.4	39.6	45.6	48.3	27.5	42.6	5/	41.9	48.7
1947-49	86.7	132.5	86.4	122.7	88.3	117.9	80.9	75.5	85.4	56.1	86.1	5/	84.7	81.5
1950	91.4	126.1	89.0	104.7	84.7	94.2	79.0	78.8	86.9	85.9	87.1	5/	85.8	83.8
1951	103.6	132.1	101.6	127.4	94.5	110.3	86.3	86.0	90.1	94.7	96.9	5/	95.4	90.5
1952	102.6	132.6	99.0	116.3	98.5	93.5	94.8	88.1	90.9	95.3	98.6	5/	97.1	92.5
1953	95.8	129.3	95.3	123.2	96.8	93.9	91.8	89.8	91.9	97.9	96.8	89.3	95.6	93.2
1954	95.3	116.7	95.8	103.1	93.7	98.9	90.5	91.9	93.8	116.3	96.3	90.9	95.4	93.6
1955	87.7	121.5	93.9	106.5	93.6	95.9	91.8	93.4	95.8	104.2	94.4	91.8	94.0	93.3
1956	84.8	106.5	93.8	105.9	96.0	98.0	96.3	94.7	93.6	108.9	94.8	93.6	94.7	94.7
1957	94.2	103.8	95.0	100.9	98.8	102.4	96.0	98.4	96.3	108.1	97.9	97.1	97.8	98.0
1958	104.9	102.6	101.6	106.1	100.3	101.2	102.8	100.4	100.7	100.5	102.2	100.0	101.9	100.7
1959	101.0	93.5	103.4	92.9	101.0	96.5	101.2	101.2	102.9	91.3	99.7	102.8	100.3	101.5
1960	99.2	95.0	103.5	100.1	103.2	92.1	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.1
Jan.	96.0	94.6	103.3	89.2	102.9	93.0	101.7	101.7	103.6	90.7	98.7	104.4	99.7	102.2
Feb.	95.7	96.0	103.1	84.0	102.9	91.4	101.9	102.0	103.4	90.3	98.5	104.6	99.5	102.4
Mar.	96.5	98.3	103.1	86.4	102.8	91.2	101.1	102.2	103.5	90.2	98.7	104.8	99.7	102.4
Apr.	98.9	97.9	103.1	97.3	101.9	91.5	105.1	102.4	103.3	90.7	100.4	105.2	101.3	102.9
May	99.7	95.8	103.4	92.1	101.6	91.0	107.5	102.3	103.2	91.0	100.7	105.3	101.4	102.9
June	100.3	95.0	103.5	89.8	101.6	90.9	110.1	102.6	103.2	91.2	101.3	105.5	101.9	103.1
July	100.5	97.6	103.3	90.3	102.3	91.5	108.7	103.7	103.3	91.6	101.5	105.6	102.2	103.2
Aug.	101.4	95.8	103.2	98.3	103.0	92.1	103.0	103.8	104.2	90.5	101.0	105.8	101.8	103.2
Sept.	100.3	94.2	103.3	110.2	103.8	92.8	100.8	103.9	104.8	90.2	101.0	106.0	101.9	103.3
Oct.	100.5	91.4	103.6	122.2	104.6	92.7	101.0	104.4	104.0	90.6	101.7	106.0	102.5	103.7
Nov.	100.3	92.2	104.1	121.1	105.0	93.5	102.1	104.5	102.5	90.7	101.9	106.2	102.6	103.8
Dec.	101.0	91.4	104.2	120.7	105.4	94.0	102.2	104.8	102.0	90.6	102.2	106.5	102.9	103.9
1961	100.5	85.8	105.8	100.1	104.8	98.6	104.2	105.4	101.4	90.7	101.5	107.8	102.6	104.7
Jan.	102.0	92.7	104.7	111.5	105.2	94.5	102.0	104.9	101.6	90.7	102.0	106.6	102.8	103.8
Feb.	101.9	94.6	105.5	105.6	105.1	94.7	102.9	105.1	101.5	91.2	102.1	106.8	102.9	103.9
Mar.	101.5	94.8	105.0	100.9	104.7	96.5	103.4	105.3	101.5	90.7	101.8	107.1	102.7	103.9
Apr.	100.8	92.3	105.2	93.4	104.2	98.2	106.3	105.4	101.5	91.1	101.8	107.3	102.7	103.9
May	99.7	86.6	105.5	90.3	103.8	99.5	107.0	105.4	101.5	90.9	101.3	107.4	102.3	103.8
June	98.8	81.6	104.9	89.9	103.6	100.4	109.5	105.4	101.5	91.2	101.4	107.6	102.5	104.0
July	99.2	82.0	105.5	98.2	104.2	100.5	111.8	105.1	101.4	91.1	102.4	108.0	103.4	104.4
Aug.	99.7	82.8	105.5	97.7	104.7	99.9	107.1	105.3	101.4	91.0	101.7	107.9	102.7	104.3
Sept.	101.2	80.9	105.8	104.0	105.1	99.9	102.3	105.4	100.9	90.7	101.4	108.6	102.6	104.6
Oct.	101.6	79.9	106.5	108.2	105.1	99.5	99.4	105.7	101.2	90.5	101.2	108.7	102.5	104.6
Nov.	100.3	79.2	107.3	102.6	105.5	99.4	98.4	106.3	101.0	89.9	100.5	109.0	101.9	104.6
Dec.	99.9	82.6	108.0	99.0	105.6	99.4	99.8	106.3	101.0	89.6	100.6	109.1	102.0	104.5
1962	6/102.5	6/90.7	6/110.2	6/94.6	104.1	6/98.5	105.0	107.6	6/101.4	6/89.3	102.2	110.7	103.6	105.4
Jan.	100.4	90.0	108.7	99.7	105.6	99.5	100.6	106.6	101.0	89.5	101.2	109.2	102.5	104.5
Feb.	100.6	95.0	109.6	100.0	105.1	99.5	102.9	107.1	101.3	89.4	101.9	109.5	103.1	104.8
Mar.	100.5	94.9	109.6	94.0	105.0	99.7	104.4	107.3	101.2	89.1	101.9	109.7	103.2	105.0
Apr.	100.7	89.6	110.2	89.2	103.7	99.7	108.6	107.3	101.1	89.2	102.1	109.9	103.4	105.2
May	100.2	88.2	110.5	85.5	103.0	99.8	109.4	107.5	101.1	89.2	101.9	110.1	103.2	105.2
June	100.2	89.0	110.7	81.3	102.7	99.0	111.9	107.4	101.3	89.1	102.1	110.6	103.5	105.3
July	101.8	87.9	110.6	84.6	103.5	98.4	109.9	107.9	101.5	89.2	102.4	110.9	103.8	105.5
Aug.	103.6	89.9	110.9	89.8	103.9	98.0	105.2	107.8	101.5	89.4	102.3	111.4	103.8	105.5
Sept.	107.8	93.1	110.8	103.1	104.2	97.0	102.2	107.9	101.7	89.8	103.5	111.5	104.8	106.1
Oct.	105.4	91.0	110.7	104.6	104.3	97.1	102.0	108.0	101.7	89.6	102.9	111.8	104.3	106.0
Nov.	104.5	92.5	110.2	101.1	104.2	97.1	102.1	108.4	101.9	88.9	102.6	111.9	104.1	106.0
Dec.	104.1	86.8	110.4	101.8	103.9	96.8	100.2	108.2	101.8	88.7	101.9	112.2	103.5	105.8

1/ Beef, veal, lamb and mutton pork, and processed meat.
2/ Chicken is only item included.
3/ Includes butter
4/ Excludes butter.
5/ Data not collected prior to 1953.
6/ Annual average computed by ERS.

Bureau of Labor Statistics.

INDEX TO SPECIAL ARTICLES APPEARING IN THE NATIONAL FOOD SITUATION DURING 1962 1/

Postwar trends in food consumption: 2/

Postwar Changes in Consumption of Cereal Grains and Products. NFS-100, May 1962.

Postwar Trends in Consumption of Noncitrus Fruits. NFS-101, July 1962.

Recent Trends in Egg Consumption. NFS-99, February 1962.

(Series ended)

The Food Stamp Program: A Progress Report. NFS-99, February 1962.

Nutritional Review. NFS-102, October 1962.

The World Food Situation. NFS-102, October 1962.

1/ This list of special articles has appeared in the first-quarter issue of the National Food Situation each year since 1946.

2/ This series on postwar trends in food consumption, begun in 1960, includes an article on dairy products in NFS-92, meat in NFS-93, vegetables in NFS-94, cereal breakfast foods in NFS-95, fats in NFS-96, poultry in NFS-97, and citrus fruits in NFS-98.

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NFS-103 The National Food Situation

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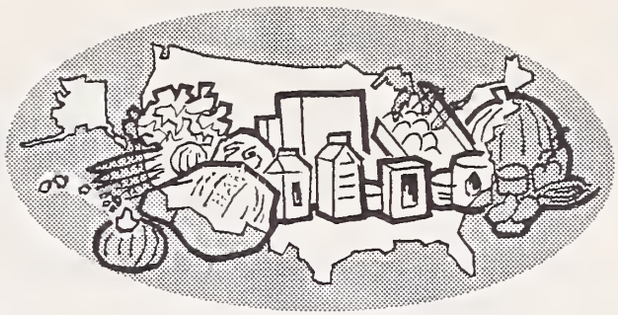
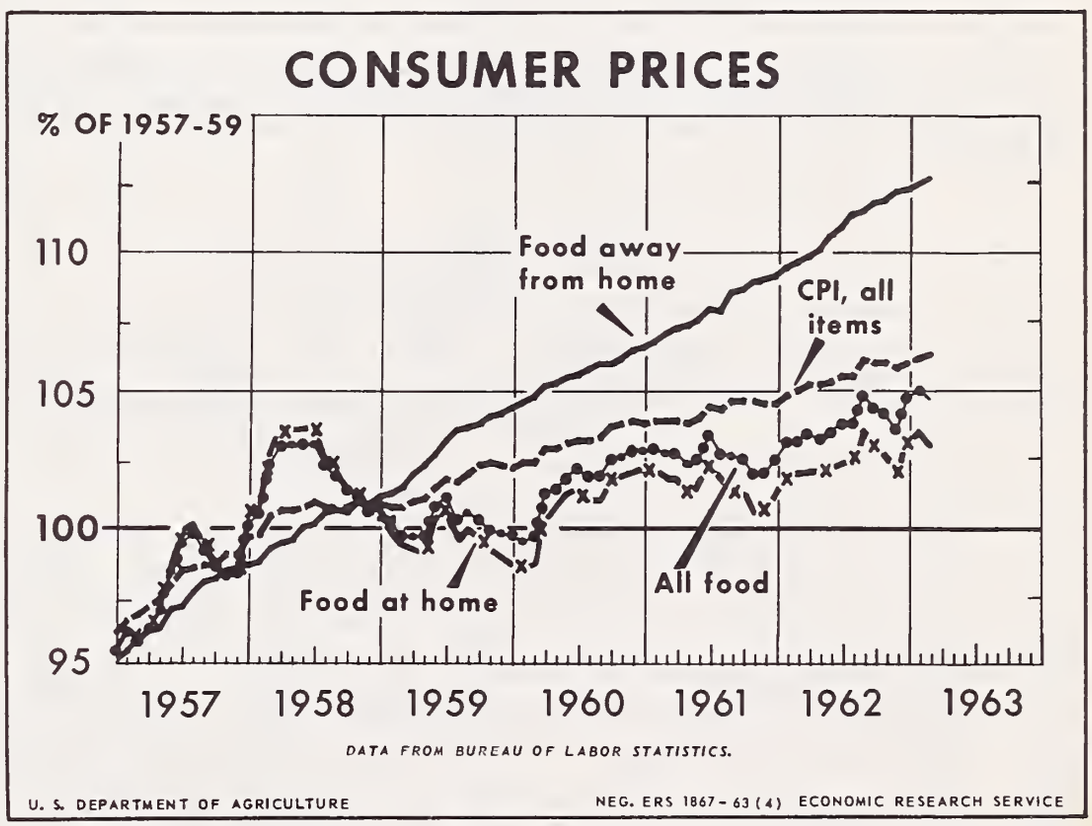
NATIONAL FOOD SITUATION



NFS-104 For Release May 11, A. M. MAY 1963

Retail prices of food in mid-March receded from February's record high. Severe frost damage caused short supplies of winter vegetables and fruits. Consequently, food prices rose in January and February. The long-term trend in food prices continued to lag behind that of the Consumer Price Index. In March, average food prices were 4.6 percent above 1957-59 compared with 6.2 percent for all goods and services.

Prices of food purchased for use at home in March remained below peak prices in the summer of 1958 and below September 1962. Prices of restaurant meals continued a steady advance. The rise exceeded that of food at home and the Consumer Price Index. It closely paralleled the price trend for all services.



IN THIS ISSUE

Prices and Consumption of Meat and Poultry

Imports for Civilian Food

Published quarterly by
ECONOMIC RESEARCH SERVICE • U. S. DEPARTMENT OF AGRICULTURE

Table 1.--Volume of farm marketings and home consumption

(Index numbers, 1947-49=100)

Item	1935-39 average	1955	1956	1957	1958	1959 1/	1960 1/	1961 1/	1962 Preliminary 1/	Indications for 1963 1/ 2/	1963 as a percentage of 1935-39	1963 as a percentage of 1962
Marketings and home consumption of all farm commodities 3/	73	112	117	112	119	124	127	130	130	132	181	102
Food grains 4/	54	81	90	78	109	104	114	111	96	110	204	115
Vegetables 5/	88	97	101	100	100	101	102	107	104	103	117	99
Fruit and nuts 6/	89	103	105	103	103	110	104	108	109	104	117	95
Sugar crops	106	107	107	122	120	130	134	148	163	160	151	98
Total food crops 7/	74	91	96	91	105	104	107	109	102	106	143	104
Meat animals	73	119	125	120	1/117	125	126	129	131	135	185	103
Poultry and eggs	63	122	134	137	1/145	151	150	162	159	163	259	103
Dairy products	88	107	110	111	1/110	109	110	113	113	115	131	102
Total food livestock 8/	75	116	123	121	1/120	126	126	131	132	135	180	102
Food marketings and home consumption.	75	110	116	113	116	120	122	125	124	128	171	103

1/ Incorporates revisions based on the 1959 Census of Agriculture. 2/ Estimates for 1963 are based on calendar-year quantities estimated as of April 1963. 3/ Food and nonfood items. 4/ Wheat, rye, rice and buckwheat. 5/ Truck crops for fresh use and processing, potatoes, sweetpotatoes, dry edible beans, dry field peas, mung beans. 6/ Except peanuts. 7/ In addition to the crops listed above, includes peanuts, peppermint, popcorn, spearmint, and vegetables grown under glass. 8/ Also includes honey, but excludes turkey hatching eggs.

Table 2.--Food consumption per capita 1/

(Index, 1947-49=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy, excluding butter	Fats and oils, including butter	Fruits			Vegetables			Potatoes and sweetpotatoes	Beans, peas, nuts	Cereal products	Sugar and sirups	Coffee, tea and cocoa	All food
							Fresh	Processed	Total	Fresh	Processed 2/	Total 3/						
1910	99	76	107	78	69	104	106	21	79	93	24	72	184	79	131	59	58	87.6
1920	92	69	114	77	79	94	111	44	89	96	33	77	144	77	113	69	70	86.9
1930	87	79	98	85	82	117	104	51	87	102	51	87	122	91	115	93	73	90.7
1940	96	80	102	82	86	119	109	82	100	106	71	95	112	110	105	94	90	95.4
1941	97	86	108	80	88	120	113	77	102	103	75	95	118	108	106	102	93	97.3
1942	96	97	84	81	95	115	97	75	90	106	83	99	120	113	107	86	77	96.2
1943	100	120	75	88	95	101	87	65	80	109	74	98	121	103	119	84	73	97.4
1944	106	107	84	90	97	99	104	65	92	114	78	103	128	107	108	92	86	100.4
1945	100	118	94	102	103	94	103	82	96	117	94	110	114	109	114	76	89	101.4
1946	104	109	101	96	108	95	103	112	106	111	106	109	114	104	113	81	109	104.1
1947	105	99	96	99	103	100	105	96	102	103	99	102	112	97	101	103	97	102.2
1948	98	97	101	101	99	99	99	100	99	101	99	101	92	103	100	98	101	98.9
1949	97	104	102	100	98	101	96	104	99	96	101	97	96	100	99	100	103	98.9
1950	97	113	111	102	98	108	85	113	94	92	109	98	93	110	98	111	92	100.2
1951	93	119	106	104	98	98	88	112	95	90	113	97	93	100	101	103	94	98.3
1952	98	122	105	104	99	101	85	126	98	88	119	98	84	99	99	107	94	100.3
1953	105	122	103	101	98	101	84	130	98	85	123	97	88	96	97	106	96	101.4
1954	104	129	104	100	99	106	80	131	96	84	124	96	88	94	95	109	85	101.3
1955	109	121	97	99	100	106	77	141	97	83	130	98	88	91	90	109	86	102.1
1956	112	136	98	98	101	106	76	142	97	83	134	99	84	97	91	111	88	103.8
1957	107	144	97	96	99	104	75	145	97	81	135	98	86	94	90	109	89	102.2
1958	101	156	102	95	97	105	76	137	95	79	143	99	81	93	92	110	89	101.3
1959	106	161	102	94	97	107	78	141	98	78	147	100	83	98	90	110	90	103.3
1960	108	158	100	90	97	106	73	148	97	81	152	104	82	95	90	110	89	103.0
1961 4/	107	174	103	87	94	105	69	146	94	81	155	104	82	99	89	110	89	103.1
1962 4/	109	171	101	87	94	108	66	150	92	80	159	105	83	96	88	111	93	103.4
1963 5/	111	178	100	84	93	108	64	148	91	80	160	105	83	96	88	111	91	103.8

1/ Civilian consumption, starting 1941. Quantities of food items (using retail store weights) are combined in terms of 1947-49 retail prices. Ingredients of mixed foods are included in the primary groups given. Includes home-produced as well as commercial quantities. Revisions to incorporate Census of Agriculture changes and to reprice and rebase to the 1957-59 period are planned. 2/ Includes all soups and baby food. 3/ Excludes beans and peas, potatoes and sweetpotatoes. 4/ Preliminary. 5/ Preliminary indications.

NATIONAL FOOD SITUATION

Approved by the Outlook and Situation Board, May 3, 1963

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SUMMARY

* Per capita consumption of food products in 1963 is expected to rise above that of last year. Output of food products is expected to rise by somewhat more than the anticipated 1.4 percent increase in total population.

* Retail food prices this year are not expected to change much from the level in the opening quarter of 1963. Meat prices are expected to average somewhat lower but higher prices are indicated for citrus fruits, cereal products, sugar, and some vegetables.

* A further increase in demand for food will reflect rising population and an expanding economy with rising consumer incomes. Total output of goods and services in the first quarter of 1963 was up 5 percent from a year earlier. Personal consumption expenditures rose nearly 5½ percent. A 5 percent rise in consumer income and increased use of credit supported the rise in buying.

* Food expenditures are expected to rise during 1963, though possibly less than the 4½ percent increase from 1961 to 1962. First quarter food expenditures were up about 4 percent from a year earlier. The proportion of disposable income spent for food is expected to decline somewhat -- but average around 19 percent for the year.

Table 3.--Apparent civilian per capita consumption of major food commodities, primary distribution weight, calendar years, 1947-49 and 1957-59 averages, 1960-62 and preliminary indications for 1963, with percentage comparisons 1/

Commodity	Average 1947-49	Average 1957-59	1960	1961	1962 Preliminary	Preliminary indications for 1963	1963 as a percentage of 1947-49	1963 as a percentage of 1957-59	1963 as a percentage of 1962
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Percent	Percent	Percent
Meats (carcass weight) - Total	148.5	156.6	161.4	161.0	163.7	166	112	106	101
Beef	65.6	82.1	85.2	88.0	89.1	91.5	139	111	103
Veal	9.7	7.1	6.2	5.7	5.5	5.2	54	73	95
Lamb and mutton	4.8	4.4	4.8	5.1	5.2	4.5	94	102	87
Pork (excluding lard)	68.4	63.0	65.2	62.2	63.9	65	95	103	102
Fish (edible weight) - Total	10.5	10.5	10.3	10.7	10.5	10.5	100	100	100
Fresh and frozen	6.0	5.8	5.7	5.9	5.7	2/	---	---	---
Canned 3/	3.9	4.1	4.1	4.3	4.3	2/	---	---	---
Cured	.6	.6	.5	.5	.5	2/	---	---	---
Poultry products									
Eggs (farm basis) - Number	385	356	334	326	324	314	82	88	97
Chicken (ready-to-cook)	18.7	27.5	28.2	30.3	30.1	31.9	171	116	106
Turkey (ready-to-cook)	3.3	6.0	6.2	7.5	7.1	7.0	212	117	99
Dairy products									
Total milk fat solids	29.5	25.6	24.5	24.0	23.7	23.4	79	91	99
Total nonfat milk solids	42.9	44.2	44.0	43.2	42.6	42.4	99	96	100
Cheese	7.0	7.9	8.4	8.5	9.1	9.1	130	115	100
Condensed and evaporated milk	20.1	14.8	13.8	13.3	12.7	12.3	61	83	97
Fluid milk and cream	359	337	325	314	311	307	86	91	99
Ice cream (product weight)	18.7	18.4	18.3	18.0	17.9	17.9	96	97	100
Fats and oils - Total, fat content 4/	42.4	45.3	45.4	45.3	46.7	46.6	110	103	100
Butter, farm and factory (actual weight)	10.6	8.2	7.5	7.4	7.2	7.2	68	88	100
Margarine (actual weight)	5.6	8.9	9.4	9.5	9.3	9.5	170	107	102
Lard	12.4	9.3	7.7	7.7	7.3	7.5	60	81	103
Shortening	9.6	11.4	12.6	12.8	13.5	13.2	138	116	98
Other edible fats and oils	7.3	10.8	11.5	11.2	12.7	12.4	170	115	98
Cooking and salad oils 5/	2/	2/	10.5	10.5	12.7	12.4	---	---	98
Other edible	2/	2/	1.0	.7	---	---	---	---	---
Fruits									
Fresh (farm weight) - Total	132.1	98.8	97.5	92.1	87.1	83.5	63	85	96
Citrus	54.8	33.5	33.3	30.4	28.9	22.5	41	67	78
Apples (commercial)	25.5	21.6	20.1	18.6	19.1	19.7	77	91	103
Other (excluding melons)	51.8	43.7	44.1	43.1	39.1	41.3	80	95	106
Processed:									
Canned fruit	18.9	22.5	22.9	23.5	23.4	23.3	123	104	100
Canned juice	15.9	13.8	13.9	13.1	12.8	12.5	79	91	98
Frozen (including juices)	3.2	8.6	9.1	8.9	9.6	9.2	288	107	96
Dried	3.9	3.3	3.1	3.2	2.9	2/	---	---	---
Vegetables									
Fresh vegetables and melons (farm weight) 6/	147.9	129.4	131.7	129.9	126.8	126	85	97	99
Fresh vegetables	120.5	104.3	106.0	105.1	103.4	103	85	99	100
Melons	27.4	25.1	25.7	24.8	23.4	23.2	85	92	99
Canned	39.1	44.5	44.5	44.7	45.6	45.5	116	102	100
Frozen	2.9	8.2	9.8	10.0	10.5	10.7	369	130	102
Potatoes (farm weight) 7/	114	103	102	103	103	103	90	100	100
Sweetpotatoes (farm weight) 7/	12.6	7.2	6.3	5.7	6.3	6.5	52	90	103
Dry edible beans	6.7	7.7	7.3	8.0	8.1	8.0	119	104	99
Sugar, refined	95.2	96.1	97.6	97.8	97.2	97.7	103	102	101
Grains									
Corn products: Cornmeal	12.9	7.7	7.4	7.2	7.0	6.8	53	88	97
Corn sirup	9.9	9.4	10.2	10.6	11.5	11.5	116	122	100
Cornstarch	1.8	1.9	1.8	1.8	1.9	1.9	106	100	100
Corn sugar	4.2	3.6	3.7	3.7	3.9	4.0	95	111	103
Breakfast cereals	1.5	1.8	1.8	1.8	1.8	1.8	120	100	100
Hominy	2.8	2.9	3.0	3.0	3.0	3.0	107	103	100
Oat food products	3.3	3.5	3.5	3.5	3.5	3.5	106	100	100
Barley food products 8/	1.6	1.0	1.0	1.0	1.0	1.0	63	100	100
Wheat:									
Flour 9/	137	120	118	118	115	115	84	96	100
Breakfast cereals	3.2	2.8	2.7	2.7	2.6	2.6	81	93	100
Rye flour	1.4	1.2	1.2	1.1	1.1	1.1	79	92	100
Rice, milled	4.9	5.6	5.9	5.9	6.2	6.2	127	111	100
Beverages									
Coffee 10/	18.2	15.8	15.8	15.7	16.3	2/	---	---	---
Tea	.58	.60	.60	.60	.68	2/	---	---	---
Cocoa beans	4.1	4.0	4.1	4.4	4.1	2/	---	---	---
Peanuts (shelled)	4.4	4.6	4.9	4.9	5.0	2/	---	---	---

1/ Quantity in pounds except for eggs which are stated in number. Data on calendar year basis except for dried fruits, which are on pack year basis; fresh citrus fruits, dry field peas, and peanuts on a crop year basis; rice on August 1 year; and canned fruits and vegetables on pack year basis in 1935-39. All years begin in the year indicated except for fresh citrus, which begins in October of the previous year, and rice, which begins in August on previous year. Data on Alaska and Hawaii are not incorporated except in fish statistics. 2/ Not available. 3/ Excludes canned food products containing small quantities of fish, such as clam chowder, etc. 4/ Computed from unrounded data. 5/ Fully processed liquid vegetable oils. Including use in mayonnaise and salad dressings, potato products, bakery products, and in fish canning, etc. 6/ This series covers total commercial production for sale as fresh, both for shipment to distant markets and for local markets. Excludes farm garden output for farm household use. 7/ Quantities canned and frozen excluded; included with processed vegetables. 8/ Barley used for food products in terms of malt equivalent. 9/ Includes white, whole wheat, and semolina flour. 10/ Green bean basis.

Population estimates used to obtain per capita consumption figures are official Census estimates of civilian population for 48 States, except for the fish statistics.

* Export demand for U. S. food products likely will total near the records for 1961 and 1962. Increases in exports of food fats and oils and dairy products are expected to about offset declines in wheat and poultry.

* First quarter production of beef and pork exceeded that of a year earlier by about 4 percent. Retail prices dropped but remained above a year earlier. Increased production of fed beef is indicated through midyear, with declining retail prices likely.

* Severe freezes last winter were responsible for cutbacks in production of citrus fruits and some vegetables during the first quarter. Higher prices for some fresh fruits and vegetables are continuing into the second quarter. Prices will be declining seasonally as new crops are marketed but are expected to remain above those of last year throughout 1963.

* Imports supplied about 13 percent of total food used in 1961 and 1962. Crop imports, consisting largely of coffee, sugar, tea, cocoa and other tropical crops, made up about a third of all crops used for food in the United States. Only about 3 percent of total food from livestock products was imported. Many imported foods do not compete with U. S. agriculture.

DEMAND FOR FOOD

Domestic demand for food will continue to rise in 1963 in response to the growing population and a further rise in consumer income. Consumer outlays for food in the first quarter were up 4 percent from a year earlier. Prospective demand increases point to a continued rise in expenditures for food, though the gain may not match the $4\frac{1}{2}$ percent increase from 1961 to 1962. During the balance of the year retail food prices are expected to change little; the average for 1963 likely will be near that of 1962. Food exports for 1963 as a whole are expected to total about the same as record exports in 1962.

The Gross National Product of the economy in the first quarter of this year totaled 5 percent above a year ago. The strengthening in economic activity in recent months reflected a sharp rise in consumer buying and further increases in Government demand for goods and services. Industrial output and employment rose. Business activity is expected to advance further in 1963, reflecting expanding consumer demand, increases in business investment, and Government purchases. However, the rise may be at a somewhat slower pace than during the past 6 months. Prospective demand increases suggest a moderate rise in output and employment in 1963. Unemployment in January-April 1963 was at a rate of 5.8 percent of the labor force. Rising business activity and further gains in employment and consumer income will lead to increased expenditures for food and other goods and services.

Population, the "major shifter" of domestic demand for food, will continue to increase in 1963. Total population in 1963 is expected to rise about 1.4 percent above last year. Population growth during the past year

was slightly less than in recent years, reflecting a small decline in the birth rate as well as a small increase in the death rate. Both these developments are expected to be temporary. Increased death rates were associated partly with a fairly high incidence of disease during the severe winter. With rising numbers of women in the 18-29 age group, total numbers of births are expected to increase after another year or 2 and result in a continued growth in the population of $1\frac{1}{2}$ percent or more per year.

Despite higher levies imposed by the Common Market and the longshoremen's dock strike, exports of food likely will total about the same in 1963 as the record shipments in 1961 and 1962. Exports of food fats and oils likely will attain a new high and some rise in shipments of dairy products is anticipated. Exports of wheat are expected to be nearly as high as in 1962. Prospects for poultry point to somewhat smaller exports than in 1962.

RETAIL PRICES OF FOOD

Retail prices of all food in the first quarter of 1963 were up 0.8 percent from last quarter and up 1.8 percent from the first quarter of 1962 (table 7). Prices of food away from home continued their steady uptrend (cover chart). Prices of food at home were not up quite as much as were prices of all food. The Consumer Price Index (including all goods and services) rose 0.2 percent from the final quarter of 1962 and 1.2 percent from 1962's first quarter.

In the first quarter of 1963 retail prices of foods from crops were up an average of about 3 percent from the preceeding quarter and the first quarter of 1962. Prices of livestock products were down somewhat from the fourth quarter but were up slightly compared with last year's first quarter.

Fruit and vegetable price rises were responsible for the bulk of the rise in food prices during the first quarter 1963 -- up 7 percent from the previous quarter and up 6 percent from a year earlier. Freeze damage to winter vegetables and fruits reduced supplies, leading to higher prices. Prices of cereal and bakery products and prices of sugar and sweets were up slightly from the previous quarter, while fats and oils and beverage prices were about steady. Between the last two quarters, meat prices were down an average of 2 percent, with beef and veal down 1 percent, pork down 4 percent and lamb and mutton off 2 percent. But meat prices in the first quarter of 1963 were up 2 percent compared with a year earlier. Prices of dairy products were about steady compared with last quarter but down somewhat from a year earlier. Poultry prices in the first quarter were down 3 percent from a year earlier but up a little from last quarter. Egg prices were down from last quarter but 3 percent above a year earlier. Average fish prices were about steady compared with both last quarter and the first quarter of 1962.

Looking ahead, average retail prices of all foods are expected to ease during the current quarter. This contraseasonal movement reflects large supplies and prospects for lower retail prices for meat, poultry, and eggs in the next few months. Further increases in prices of citrus fruits and

seasonally higher prices for early vegetables will be partly offsetting. Retail food prices are not expected to change much during 1963 and for the year may average around the level of 1962.

Prices of many livestock products at the beginning of the second quarter represented attractive buys to the housewife. This situation likely will continue throughout the year. Attractive "specials" on some of these products are being relied upon to move large supplies. Production is up from last year on many perishable items. Thus, prices must be lowered to the point that supplies will be consumed concurrently.

Prices of foods from crops were higher in the opening months of 1963. Prices of some fruits and vegetables may rise further, but taper off later in the year as new crops appear. This movement is in line with seasonal expectations. Retail prices of sugar and sweets are expected to rise gradually through the year, particularly in the Northeast. Cereal and bakery product prices likely will continue rather steady uptrends.

The average retail price of the "market basket" of domestic farm foods (published in Marketing and Transportation Situation) in the first quarter was up 1 percent from fourth quarter 1962 and up nearly 2 percent from a year earlier. The farm value of the market basket comprised 37 percent of the total, down from 39 percent in the first quarter of 1962. The farm-retail marketing spread -- the bill for processing and marketing food products -- accounted for 63 percent of the market basket in the first quarter, up from 61 percent a year ago.

CONSUMPTION OF FOOD

Per capita consumption of all foods in 1963 is likely to exceed that of last year (table 2). Increased supplies of livestock products,most of which will move into consumption, likely will exceed population growth. Increased supplies of food products are expected to keep average food prices from rising during the balance of the year.

Per capita supplies of red meats in the first quarter were up from a year earlier and are expected to continue larger through the balance of the year (table 3). Supplies in the second quarter of the year are expected to exceed the second quarter of 1962 by about 4 percent. Beef production per capita in the first half of 1963 is expected to exceed last year by more than 4 percent, with the largest increase expected in the second quarter. Total consumption for the year may reach 91½ pounds per capita, up from 89.1 pounds in 1962. In contrast, veal production is below year-earlier levels. Consumption per capita for the year likely will fall short of the 5.5 pounds for 1962. Pork production in the first quarter 1963 exceeded year earlier by 5 percent. Seasonal declines in production this summer will be supplemented by larger storage stocks. Pork consumption per capita for 1963 is expected to top last year's 63.9 pounds by perhaps a pound. Sharp declines in production of lamb and mutton may drop per capita consumption by half a pound in 1963 from the 5.2 pounds in 1962.

Commercial landings of fresh fish should reach a seasonal peak in the next 2 months. Cold storage stocks are up, and total supplies for the year likely will exceed 1962, but fish consumption for 1963 may average near the 10.5 pounds per capita of 1962.

Broiler supplies were considerably greater than a year earlier during the first quarter of 1963. Supplies in the second quarter are expected to be about the same as last year but for the last half of the year production and consumption likely will be significantly larger than 1962. Production is expected to reach its seasonal high in midsummer. Record per capita consumption of chicken is expected for the year, up nearly 2 pounds from 1962's 30.1 pounds. Consumption of turkey during the first quarter of 1963 apparently was below a year earlier. For the year per capita consumption of turkey is expected to be near the 7.1 pounds consumed in 1962.

Production of eggs in the first quarter of 1963 was 2 percent below a year earlier. Egg supplies, though declining seasonally, are expected to be about as large as last year during the second and third quarters. For the year egg consumption per capita is expected to be about 10 eggs below the 324 eggs in 1962.

Production of milk was down nearly 1 percent during the first quarter of 1963 compared with a year earlier. Last year's production was up about 0.4 percent from 1961, but per capita consumption declined slightly, from 640 to 637 pounds of milk equivalent. Some further decline is expected in 1963.

Supplies of food fats and oils during the first half of the year are expected to exceed those of 1962. But per capita consumption will average near the long-term rate of 46 pounds (fat content) per year.

Per capita consumption of fresh citrus fruits in 1963 will be down substantially from the 29 pounds consumed in 1962, due to the severe freezes last winter. Only California Valencia oranges likely will be as plentiful as last year. Per capita consumption of canned and frozen citrus juices for 1963 may fall only moderately. Production will be supplemented by reducing carryover stocks. Per capita consumption of canned fruits is expected to continue at the 1962 rate of a little more than 23 pounds.

Fresh vegetable supplies this spring are expected to be about the same as those of a year ago. Less early spring cabbage and tomatoes are in prospect but the supply of snap beans, broccoli, cauliflower, cucumbers, spring celery, green peppers, and sweet corn is expected to be greater. Supplies of canned and frozen vegetables in the first quarter were above year earlier. For the year, per capita consumption of canned vegetables is expected to be near last year's 45.6 pounds; frozen vegetables probably will be larger than the 10.5 pounds of last year. Potato supplies in the first quarter were down from a year earlier but per capita consumption for 1963 is expected to be near that of last year.

The quantities of wet process corn products going into human food have increased rather sharply in recent years. Corn sirup and corn sugar consumption has risen but cornstarch has been about stable. Cornmeal consumption has been declining over the years, reaching 7 pounds per capita in 1962. Milled rice consumption per capita remained stable. Per capita use of wheat flour in 1963 is expected to remain about the same as the all-time low of 115 pounds last year.

Sugar consumption in 1963 likely will not depart much from 97 pounds per capita, despite the decline in world supplies. Users have accumulated inventories.

EXPENDITURES FOR FOOD

About $74 billion was spent for food (excluding alcoholic beverages) in 1962, up 4.5 percent from 1961. Food expenditures in the first quarter of 1963 were up about 4 percent from a year earlier. Prospective increases in consumer income and population point to increased expenditures for food in 1963, though the gain is not expected to match the increase from 1961 to 1962.

In 1963 about 19 percent of personal disposable income is expected to be spent for food. Last year the figure was 19.3 percent. The proportion has been declining at a fairly steady rate in postwar years, down from almost 26 percent in 1947-49. Personal disposable income in the first quarter of 1963 reached $392.7 billion, seasonally adjusted, up 5 percent from a year earlier. The gain amounted to a rise of about 3 percent in real income per person.

The total marketing bill for all food originating on U. S. farms (food expenditures less farm value) amounted to slightly less than 11 percent of disposable personal income according to the preliminary estimate for 1962. Since 1950, the marketing bill has increased at nearly the same rate as disposable income, never departing from within the range of 11 to 12 percent of the total until it dropped below in 1962.

The farm value of domestic farm foods has been declining in relation to consumer income. The rate of decline was quite rapid in the early 1950's but has since moderated. In 1962 the farm value was estimated at 5.6 percent of disposable personal income. It was considerably less than the proportion taken by the marketing bill.

Sales of all retail food stores in 1962 and in the first quarter of 1963 exceeded the previous year by 4 percent. Sales changes between 1961 and 1962 by type of store were as follows:

	Percent change 1961 to 1962
Food group	+4
Grocery stores	+4
Meat markets	0
Fruit stores, vegetable markets	+2
Candy, nut, confectionery stores	0
Bakery products stores	+3
Delicatessen stores	+5
Restaurants, cafeterias, lunchrooms	+6

Sales by grocery stores, the volume food outlet, were 4 percent higher in 1962 than in 1961. Grocery store sales are growing at the expense of most of the specialized food store groups. Sales of nonfood items are included in sales of many of these food stores, particularly grocery stores.

In the food group, 41 percent of total sales in 1962 were made by firms operating 11 or more stores. Sales of these stores increased the same proportion between 1961 and 1962 as did all food stores -- 4 percent -- which also is near the increase in total food expenditures for the year.

PRICES AND CONSUMPTION OF MEAT AND POULTRY

Recent Trends

Retail prices of each of the red meats and poultry (broilers and fryers) in mid-March were below levels reached late last summer but, except for poultry and pork, were above year-earlier levels (figure 1). September 1962 marked the highest retail beef prices in a decade. Retail beef prices have declined less than would have been expected on the basis of the decline in the farm price of beef cattle. 1/ Further declines are expected this summer since beef supplies will continue heavier than a year ago. Pork prices in September were higher than at any time since 1958. A sharp decline since last fall has brought prices in March 1963 to a point 5 percent below the 1957-59 average price. Larger supplies are expected to keep prices below last year through the balance of 1963, but some seasonal rise is likely in the third quarter.

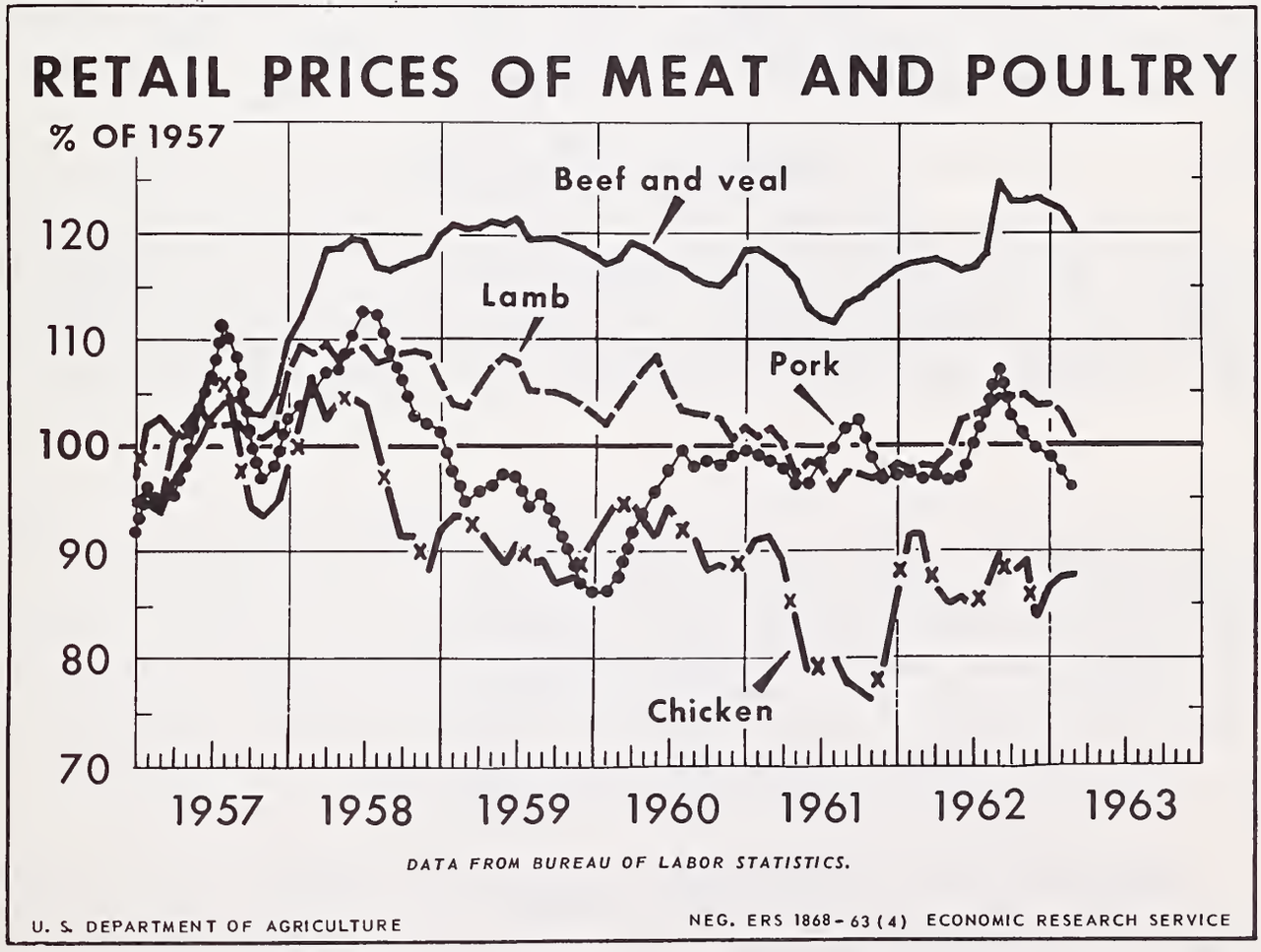

Figure 1

1/ Motes, W. C. "Adjustments in Retail Prices of Beef to Supply Changes," Marketing and Transportation Situation, May 1963 , pp. 13-19.

Prices of chicken are below those of early 1962 but 13 percent above record low levels reached in fall 1961. Price declines expected later this year likely will put prices below those of late 1962, but probably not as low as in late 1961. Lamb prices in March were down somewhat from the beginning of the year. Prices are expected to rise seasonally and to continue slightly above last year throughout 1963.

The withholding action on cattle and hogs by the National Farmers' Organization apparently bolstered beef and pork prices at retail during September 1962. Retail prices, measured at mid-month, recorded September prices at the height of the holding action. Price effects at retail followed by about 1 week the effects registered at wholesale. Weekly retail prices at New York for the week ending September 15 were about 7 percent above prices 2 weeks earlier on both beef and pork. Hog prices advanced about 5 percent (at eight markets) in response to sharply reduced marketings in the Cornbelt. Choice beef cattle increased 3 percent (at Omaha). By the end of the month retail pork prices receded nearly to month-earlier levels, as did hog prices. Regular beef prices were maintained near the highest level reached though prices on beef "specials" declined; cattle prices were slightly higher than 1 month earlier. The holding action coupled with unseasonally short supply established September as the high month for the year in retail prices of both pork and beef.

Longer-Term Relationships

The BLS retail price index for all meats, poultry, and fish in 1962 averaged 102 percent of 1957-59 average, up 2 percent from 1961 but down 3 percent from the recent high in 1958. Fish prices in 1962 averaged 10 percent above the 1957-59 average; beef and veal prices averaged 6 percent higher; pork was down 1 percent; lamb was down 3 percent; and poultry was off 9 percent.

Beef

Despite higher prices for beef and veal, consumption in 1962 reached 95 pounds per capita (carcass weight) up from the 87 pounds consumed in 1958 and only fractionally below the all-time high reached in 1956 (figure 2). The dampening effect of higher prices for beef and veal in 1962 was more than offset by the combined impact of rising incomes, higher prices for pork and chicken and the longer-run uptrend in consumer preference for beef. Lower prices for beef and rising consumer incomes suggest a further increase in consumption of beef in 1963. Per capita consumption of beef and veal is expected to set a new record in 1963 with consumption of about 97 pounds.

Rising demand for beef has been the long-term pattern. It is characterized in figure 2 by rising consumption despite rising prices since 1953. Before World War II consumption was stable but prices were trending upward. Between 1953 and 1962, per capita consumption of beef rose at an average of nearly 2 percent per year while the retail price increased an average of over 2 percent

per year. 2/ These price and consumption trends suggest a strong upward trend in consumer preference for beef. Note that in the years immediately following World War II, prices were sharply higher than before the war (adjusted for changes in the general price level) despite higher consumption.

Since the recent high prices in 1958, beef prices have declined. Poultry prices declined even more, which had some offsetting influence on the demand for beef. But with somewhat higher prices for pork, rising incomes and the uptrend in consumer preference for beef, per capita consumption increased almost 9 percent from 1959 to 1962.

Pork

Pork prices in 1962 averaged 1 percent higher than 1961 and 6 percent higher than 1960. Consumption was up almost 2 pounds per person from 1961 but was 1 pound below 1960. Higher pork prices combined with larger consumption in 1962 contrasted with previous experience. A decline in demand is suggested in figure 3 by a postwar decline in both price and consumption, and by falling consumption combined with stable price in prewar years. Per capita consumption of pork has varied between about 45 and 53 pounds since 1953 with a tendency to drift slightly downward. This downward trend in per capita consumption has occurred despite lower prices for pork, somewhat higher prices for beef, and the continued rise in consumer income. Accordingly, a downtrend in consumer preferences for pork is indicated for the past 10 years.

A comparison of 1962 with the low price year 1956(and other recent years) suggests that the long-term downtrend in demand may not have been as sharp in recent years as previously. Pork prices increased 15 percent over this 6-year period while consumption per capita declined 5 percent. Consumption is expected to rise by about a pound in 1963.

Poultry

Prices of frying chickens averaged 6 percent higher in 1962 than the record low in 1961. But they averaged 35 percent less than the postwar high in 1948. Consumption of poultry trended rapidly upward during the last 2 decades. Lower prices and the general upward trend in consumer demand for poultry over the past decade contributed to the increase in consumption.

Consumption of chicken and turkey this year will rise to about 39 pounds per capita. A comparison of trends of meat and poultry consumption in figure 4 shows that the rate of increase in consumption of poultry exceeded that of beef in postwar years but the rate of increase

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2/ "Trends in the Consumption of Beef and Pork," Livestock and Meat Situation, March 1963 (LMS-129), pp. 22-24.

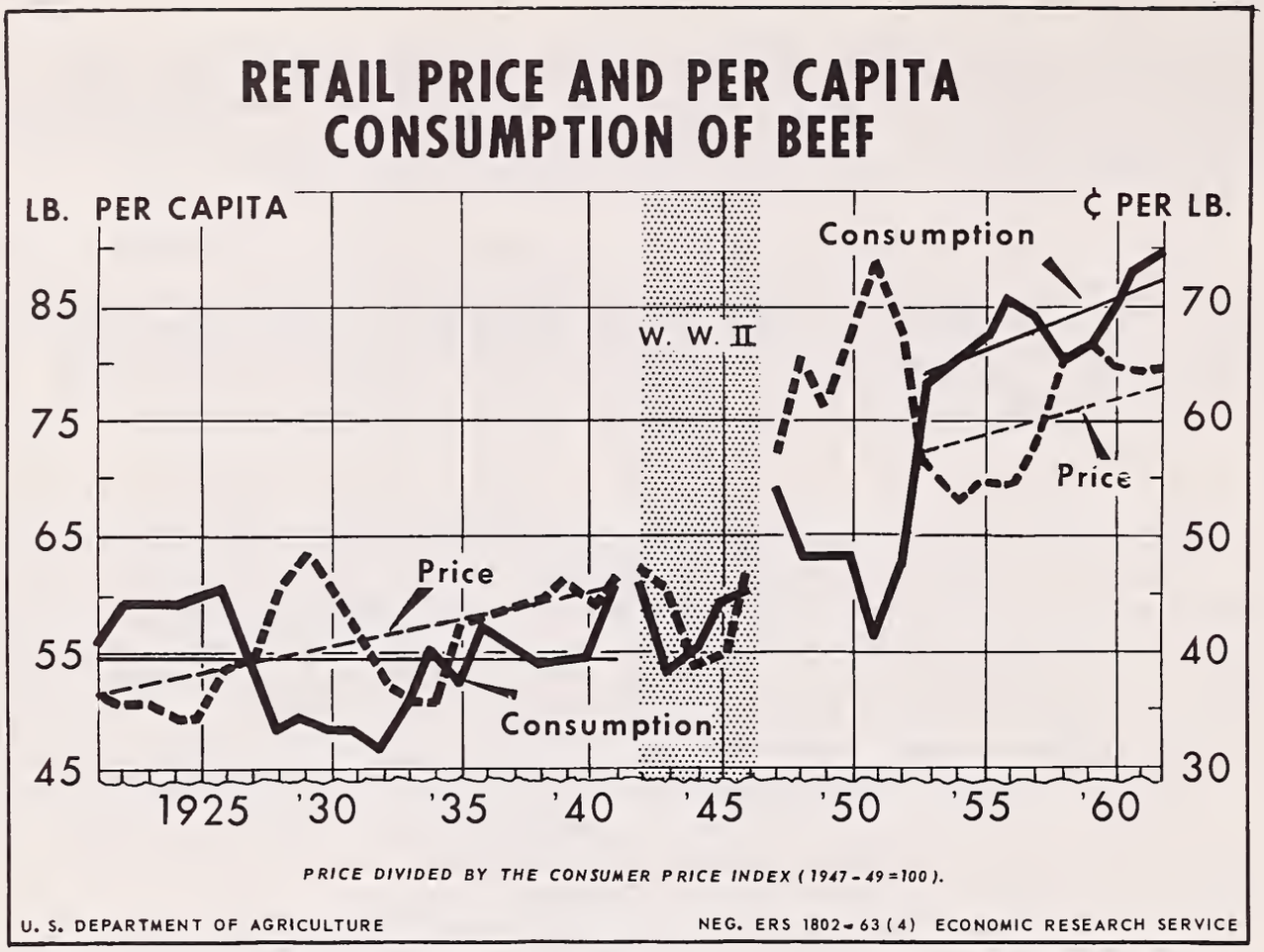

Figure 2

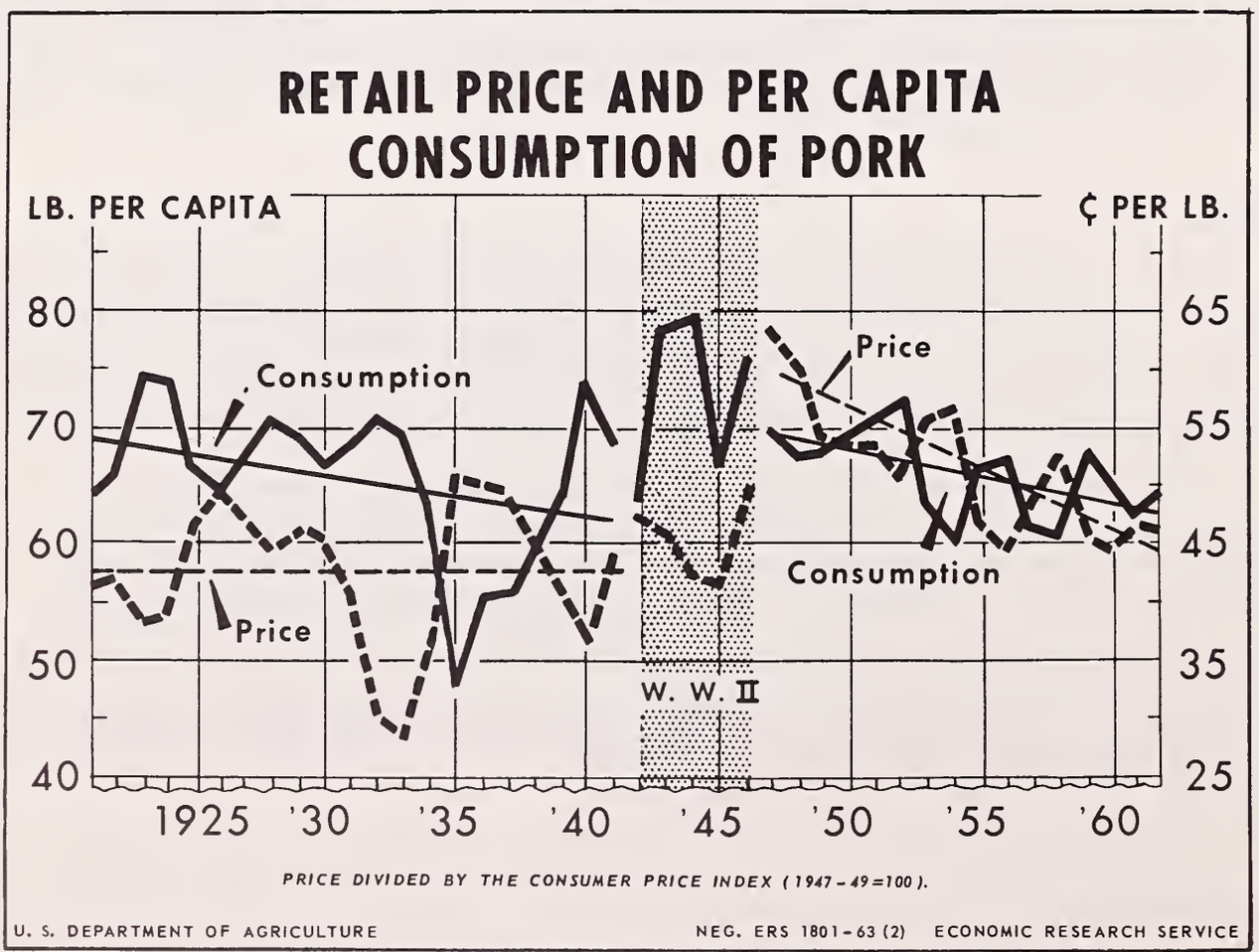

Figure 3

in the last 3 years has tapered off. 3/ Note the correspondence between price movements of chicken and pork in figure 1. Trends are strikingly similar during years 1957, 1958, and 1959.

Lamb

Lamb prices characteristically follow short-term variations similar to those of beef and veal. However, over a period of time lamb prices declined relative to those of beef. This trend is noticeable even since 1957 (figure 1). Consumption of lamb and mutton is expected to average about 4½ pounds per capita in 1963, down 13 percent from 1962. This is consistent with the new level of lamb consumption established since about 1950, down sharply from pre-World War II (figure 4). It also is consistent with a long-term decline in demand for lamb. 4/

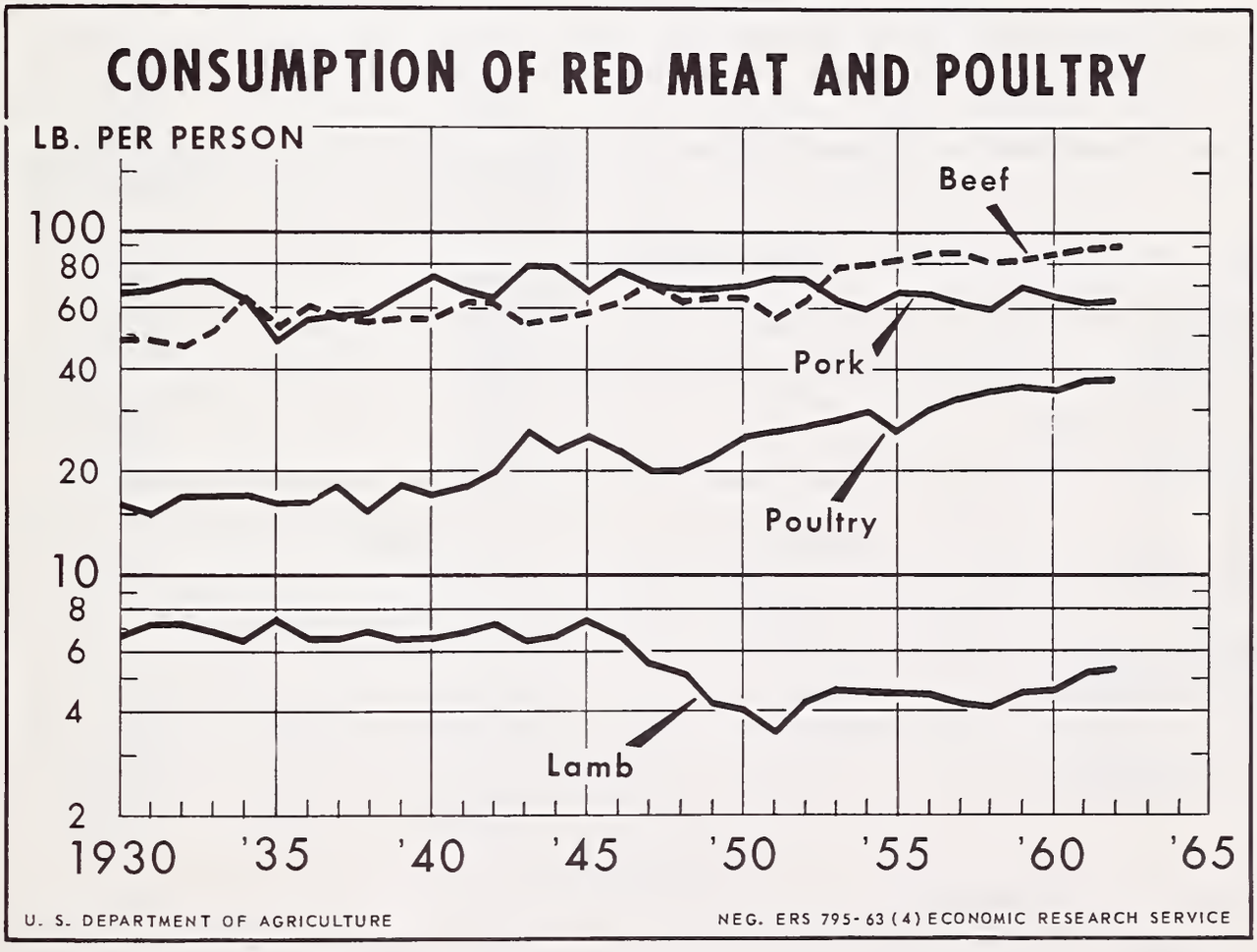

Figure 4

3/ Figure 4 is plotted on semi-log paper. Slopes of lines represent rates of change directly comparable regardless of level of consumption.

4/ Fienup, D., W. Motes, S. Hiemstra, and L. Laubis Economic Effects of U. S. Grades for Lamb, ERS, USDA, Agri. Econ. Report No. 25, pp. 53-58.

IMPORTS FOR CIVILIAN FOOD

About 13 percent of the total food used by civilians in the contiguous United States was imported in 1962, up slightly from 1961 (table 4). Coffee made up over half of these imports.

Of total food use of crops in 1962, about a third was imported. All, or nearly all, of the domestic consumption of coffee, tea, cocoa, bananas, some edible oils, certain tree nuts, and most spices were imported. They accounted for the bulk of U. S. crop imports. These crops are not commercially produced in the 48 States, and most enter the United States duty-free. Over the years these crops have constituted a growing share of total agricultural imports.

Table 4.--Imports: Proportion of U. S. civilian food use 1/

Item	1961	1962 2/
	Percent	Percent
Crops		
Coffee, tea, cocoa	100.0	100.0
Bananas	100.0	100.0
Other fruit	6.1	7.0
Oil crops	14.0	15.2
Sugar and sirups	64.7	65.0
Tree nuts	25.4	34.5
Other crops	1.3	1.2
All crops	34.2	34.0
Livestock products		
Beef and veal	5.4	7.4
Pork	1.5	1.7
Lamb and mutton	18.0	20.0
Dairy products	0.4	0.4
Eggs	0.1	3/
All livestock products	2.5	3.3
Total	12.7	13.2

1/ Aggregated on price-weighted basis using 1957-59 U. S. farm prices when available. Used prices at the dock for noncompetitive imports. Nonfood use of foods was approximated on basis of use of the total supply.
2/ Preliminary.
3/ Less than 0.05 percent.

The importation of livestock products is relatively much less important as a source of food supply than crops. Imports in 1962 made up only 3 percent of total consumption of livestock products, but they increased by a third between 1961 and 1962. These imports compete with domestic production to a greater degree than crop imports.

Among livestock products, the largest increase, 40 percent, was in beef and veal imports. Most beef and veal imports are boneless beef for manufacturing--86 percent of the total in 1962. Another 9 percent was canned beef. Nearly all fresh, chilled, or frozen beef consumption is domestically produced. One-fifth of the total lamb and mutton consumed in the United States in 1962 was imported, but most of it was mutton used in processed meat products. Imports accounted for less than 2 percent of consumption of lamb alone. Imports of pork, made up largely of canned and specially prepared ham, made up less than 2 percent of total pork consumption.

Imports of dairy products increased in recent years, particularly between 1961 and 1962, but still amounted to less than 1 percent of total consumption of dairy products. They have been held down by quotas imposed under Section 22 of the Agricultural Adjustment Act. In 1962 nonquota imports accounted for 22 percent of total dairy imports, on a milk equivalent basis. Indications for 1963 are that nonquota imports will make up a substantially larger proportion of the total. Colby cheese and 44 percent sweetened cream are major nonquota imports.

Of total imports of all agricultural commodities in 1962, 78 percent was for civilian food. Military and nonfood uses of food products and nonfood imports such as wool, tobacco, and cotton made up the remaining 22 percent.

The month-long East and Gulf Coast longshoremen's dock strike reduced most food imports in January 1963 below January 1962. Coffee, tea, and cocoa imports were reduced to only about half the same month a year earlier. Processed fruits and vegetables likewise were reduced one-third to one-half below year earlier but many fresh fruit imports were increased to offset U. S. freeze damage. For example, imports of oranges, strawberries, and pears each more than tripled, but total amounts were small. Banana imports suffered only a 7 percent setback. Red meat imports were off sharply. A decline of 12 percent occurred in beef and veal; pork was down one-fourth, but mutton dropped one-half. By March, imports appeared to have returned to normal.

BRIEF TOPICS

World Food Congress

The World Food Congress, billed as the major international agricultural event of the year, will meet in Washington, D. C., June 4 to 18. The Congress is sponsored by the Food and Agriculture Organization (FAO) of the United Nations. Purposes are to: (1) Pool existing worldwide experience in fighting hunger and malnutrition; (2) Examine ways in which food production and use can be improved in the developing countries; and (3) Aid in economic development. About 1,200 people representing 100 nations are expected to attend the 2-week session. Meetings will be held in the State Department.

Among speakers invited are: Arnold J. Toynbee, historian; K. Gunnar Myrdal, Swedish economist; Orville L. Freeman, Secretary of Agriculture; Paul G. Hoffman, Director of the UN Special Fund; J. Kubitschek, former president of Brazil, and V. T. Krishnamachare, National Planning Commissioner for India. The detailed work of the Congress will be carried out in four Commissions: Technical; Economic and Social; Education and Research; and People's Involvement and Group Action.

The Executive Secretary and U. S. Liaison Officer for the World Food Congress is R. Lyle Webster, Room 1419, (OIC) State Department.

More Poultry Cut Up At Slaughtering Plant

Probably over half of all young chickens now are cut up before they are sold at retail. Although most of this work is performed at grocery stores,there has been a trend in recent years for more such preparation at slaughtering plants where per hour labor costs generally are lower than at grocery stores. A total of 713 million pounds of poultry was cut up and packaged under Federal inspection in 1962 according to the Statistical Reporting Service. This included 662 million pounds of young chicken, 37 million pounds of turkey, and 12 million pounds of mature chicken. Young chickens cut up and packaged at slaughtering plants in 1962 represented, as a percentage of Federally inspected slaughter, 15 percent; turkeys and mature chickens, 3 percent.

Dairy Statistics

A "What's Where" of USDA dairy statistics is one of the features of the April issue of The Farm Index, monthly ERS magazine.

The feature, entitled "Dairy Facts," is an 8-page descriptive list of over 25 of the main statistical reports published by 5 USDA agencies. Most of the reports described are published by the Economic Research Service and the Statistical Reporting Service. They cover every phase of dairy production, distribution, manufacturing, and storage. Also included are a few complementary reports of the Argicultural Marketing Service, the Foreign Agricultural Service, and the Agricultural Stabilization and Conservation Service.

The reports are released at intervals ranging from once a week to once every 5 years. They include both basic and interpretive data, and they summarize literally hundreds of statistical series.

Single copies of the April issue of The Farm Index are available free from the Division of Information, Office of Management Services, U. S. Department of Agriculture, Washington 25, D. C.

Prospective Plantings for 1963

As of March 1, U. S. farmers reported intentions of planting in 1963 a total of 178 million acres to 13 food and feed crops. It represents an increase of 2½ percent over 1962. Feed grain acreage is expected to be up 2 percent and food grain acreage up 6 percent. Plans may be altered by decisions made after March 1 to participate in Feed Grain and Wheat Programs. Indicated acreages and percentage changes from 1962 plantings are given in table 5.

Table 5.--Planted acreages, United States 1/

Crop	Average 1957-61	1962	Indicated for 1963	Percent change 1962 to 1963
	Thou.	Thou.	Thou.	Pct.
Corn	75,551	65,984	69,769	+6
All spring wheat	12,482	10,490	11,102	+6
Durum	1,596	2,478	2,182	-12
Other spring	10,886	8,012	8,920	+11
Oats	35,740	30,202	28,746	-5
Barley	16,150	14,701	14,032	-5
Rice	1,530	1,785	1,785	0
Sorghums, all	20,189	15,025	15,947	+6
Potatoes:				
Winter 2/	31	22	20	-7
Early spring 3/	29	24	28	+16
Late spring 4/	141	109	106	-3
Early summer 5/	102	88	87	-1
Late summer and fall	1,129	1,172	1,160	-1
Total	1,432	1,416	1,402	-1
Sweetpotatoes	242	222	210	-5
Beans, dry edible	1,521	1,539	1,484	-4
Peas, dry field	321	353	348	-1
Soybeans	24,532	28,703	29,896	+4
Peanuts	1,629	1,546	1,528	-1
Sugar beets	982	1,185	1,272	+7
Total 13 crops	192,301	173,151	177,521	+2.5

1/ Does not include Alaska and Hawaii. 2/ Includes acreage planted in preceding fall. 3/ Acreage planted. 4/ Intended acreage for 1963 as of January 1. 5/ Intended acreage for 1963 as of February 1.

1960 Consumer Expenditure Survey

The Bureau of Labor Statistics issued reports on a 1960 Survey of Consumer Expenditures for 15 large cities -- Atlanta, Austin, Texas, Boston,

Chicago, Detroit, Indianapolis, New York, Northern New Jersey, Philadelphia, Pittsburgh, Portland, Me., St. Louis, San Francisco, Seattle, and Washington, D.C.

These reports present summaries of family expenditures, income, and savings by income class, family size, age and occupation of family head and tenure for 1960. Comparisons with 1950 data are shown where possible. Separate expenditure data are included for total food, food at home, and food away from home, as well as for the major nonfood groups. Details on purchases of food items are not yet available.

Additional reports are forthcoming for Baltimore, Buffalo, Cedar Rapids, Iowa, Champaign-Urbana, Ill., Cleveland, Dallas, Los Angeles and Orlando, Fla. The 13 largest cities covered for 1960 also will be reported for 1961, along with additional cities. Requests for reports released to date or to be placed on the mailing list should be directed to the Bureau of Labor Statistics, U. S. Department of Labor, Washington 25, D. C.

Final Household Survey Report Issued

The Agricultural Research Service has published the final statistical report of the 1955 Household Food Consumption Survey, Report No. 17, Food Consumption and Dietary Levels of Households of Different Sizes, United States--by Region. The major item and consumption group data are classified by household size as well as region, urbanization group, and income level. Single copies of this report are available from the Consumer and Food Economic Research Division, Agricultural Research Service, USDA, Washington 25, D. C.

World Cocoa Conference

The United Nations will be asked to set up a conference sometime this summer to negotiate an International Cocoa Agreement. A group of 20 major producing and consuming nations composing the FAO Cocoa Study Group reached this decision recently. The United States, as the world's largest cocoa consumer, will be interested in the outcome of the conference. Ghana is the leading producing country, with about 37 percent of the total.

In 1961 and 1962 world cocoa production exceeded consumption. But consumption of cocoa in recent years has been rising sharply and in 1963 is expected to outrun production. Sharp price fluctuations have characterized the world cocoa market. An attempt will be made to build maximum and minimum prices into the Agreement. Sales quotas also would be included.

Last year an International Coffee Agreement was drafted at the United Nations. Presently it is awaiting ratification by the nearly 100 countries which buy and sell coffee. It differs from the proposed Cocoa Agreement in that it contains no price provisions.

COMMODITY REVIEWS

Meat

The supply of red meat during the second quarter of this year is expected to be about the same as during the first quarter but about 5 percent above the 1962 April-June quarter. There will be more beef and pork but less veal and lamb than last year. Population increased about 1.4 percent in the last year, while total meat production rose 3 percent. Thus, per capita supplies of meat are larger than a year ago.

Production of red meat during the last half of 1963 is expected to continue above year-earlier levels with the increase due mainly to increased beef production. Pork production also likely will be up from a year earlier but supplies of lamb and veal will be smaller. The red meat supply this year is expected to be up sufficiently to result in a per capita consumption of about 166 pounds (carcass weight)--up from the 163.7 pounds consumed last year.

Beef production was up about 3 percent during the first quarter of this year. Supplies during the current quarter likely will be up by a greater margin, with the increase in supply due largely to increased production of high-quality fed beef. Retail prices adjusted downward sharply during the February-March period. Consumers probably will find beef featured at prices lower than a year ago throughout the balance of this year. Per capita consumption of beef last year was a record 89.1 pounds. With increased supplies and lower prices, per capita consumption in 1963 is expected to exceed 1962 by about $2\frac{1}{2}$ pounds.

Veal production during the first quarter was about 7 percent below the 1962 January-March period. Production during the second quarter likely will be down seasonally from the first quarter and is expected to continue below year-earlier levels as well.

Veal production will tend to increase seasonally during the second half of the year. Per capita consumption of veal for the year likely will be a fraction of a pound less than the 5.5 pounds consumed per person in 1962. Retail veal prices currently are above year-earlier levels and record high. Relatively little change in prices for veal are expected this year.

Pork production for the first quarter of this year exceeded a year earlier by about 5 percent. Pork production will decrease seasonally from now through mid-year but will continue above year-earlier levels. The seasonal decline in pork production this summer will be offset in part by increased use of stocks in cold storage. Per capita consumption of pork in 1963 is expected to rise about a pound above the 63.9 pounds in 1962. Retail prices of pork have adjusted downward significantly since the summer and early fall of 1962, and are currently below year-earlier levels. Pork prices likely will continue below a year earlier during the remainder of this year.

Production of lamb and mutton during the first quarter of this year was about 8 percent below the corresponding quarter a year earlier. Lamb production likely will decline seasonally through mid-year and will continue

to be in shorter supply than a year earlier. Production of lamb and mutton the second half of this year also will continue below year-earlier levels, particularly in the late summer and early fall period.

Retail prices are expected to increase slightly from now through mid-year and probably will continue to run slightly above those a year earlier throughout the last half of this year. The decrease in lamb and mutton production, coupled with higher prices, is expected to pull per capita consumption down by about a half pound from the 5.2 pounds consumed per person in 1962.

Fishery Products 5/

U. S. fishermen, including those in Alaska, landed about 5.2 billion pounds of fish and shellfish during 1962 with a value to fishermen of $381 million, about $19 million more than in 1961. For the second consecutive year, and the third time in history, the catch of fish taken for manufacture into industrial products and for use as bait and animal food exceeded the quantity taken for human food.

Consumption of fishery products during 1962 was estimated at 10.5 pounds per capita, a decrease of about 2 percent from the 1961 rate. A seasonal increase in consumption began in late spring but for the year consumption is expected to remain near that of 1962.

Supplies of edible fishery products during 1963 probably will be more plentiful than in 1962, especially the canned varieties. Cold storage holdings are higher than last year, and commercial landings of fresh fish should reach a peak in the next 2 months.

Imports will continue high during the remainder of 1963 although in general they were lower at the beginning of the year. Continued high imports are expected especially for shrimp, tuna, canned sardines, and fish blocks.

Lower wholesale prices for certain canned fishery products during the first quarter are being reflected at the retail level. There have been sharp reductions in prices of canned Maine sardines, canned pink salmon, and canned tuna from last year but prices probably will remain steady for the next few months.

5/ Prepared by the Bureau of Commercial Fisheries, Fish and Wildlife Service, U. S. Department of the Interior.

Poultry

Commercial poultry production in the first quarter of 1963 totaled 1,408 million pounds, up 7 percent from the same period last year. Second quarter output is likely to drop back close to the 1962 level, but production in the second half may again be much above a year earlier. The fluctuation in broiler production has and likely will continue to account for most of the year-to-year change in poultry supplies in 1963. Broilers made up over two-thirds of the total poultry meat supply in 1962.

Federally inspected liveweight slaughter of young chickens in January-March was 11 percent greater than in the first quarter of 1962. Despite this larger output and increased competition from lower-priced red meats, retail prices for ready-to-cook broilers and fryers during the same period were down only 3 percent from 1962.

Broiler production has been increasing seasonally since December and probably will reach its peak in midsummer. However, the upturn this year through June will be more gradual than in 1962. Consequently, second quarter broiler supplies may about equal year-earlier volume. Prices to consumers in April-June may be about the same as in the first quarter and the comparable quarter of 1962.

However, in the last half of 1963 broiler production is likely to be higher and retail prices lower than in the same period last year. This means steady to declining prices throughout 1963. Per capita chicken consumption in 1963 is likely to establish a new record, up about 2 pounds from last year's 30.1 pounds.

Normally, both turkey production and consumption are seasonally small in the first half. However, significantly less turkey was consumed in the first quarter this year than last due to generally higher prices for turkey and to greater competition from more plentiful supplies of red meats and broilers. This was reflected in a slower movement of frozen turkeys out of storage in the first 3 months of 1963. On April 1, there were 153 million pounds of turkey in storage, 38 million pounds below a year earlier but 30 million pounds above the 1957-61 average for the date. Based on recent hatchery activity, turkey slaughter in the second quarter probably will be down a little from 1962.

It appears that there will be only a little increase in the 1963 turkey crop. Supplies in the main marketing period, September-December, likely will be about the same as a year earlier. Per capita turkey consumption for all of 1963 may be down slightly from the 7.1 pounds in 1962.

Eggs

Egg production in the second quarter is seasonally high. In the 7 months ending in March, BLS retail prices for grade A large eggs remained between 57 and 60 cents a dozen. However, retail egg prices in April, declining seasonally, probably moved much below the March level of 56.6 cents per dozen, in line with

the 4.0 cents per dozen break in farm egg prices. Following the sharp price decline, USDA announced April 16 that it would buy dried eggs for distribution to schools and institutions. In the 2 weeks ending May 1, the Department had contracted for 3 million pounds of whole egg solids--equal to almost 4 percent of production in the last half of April.

In the first quarter, egg production ran 2 percent under the year-earlier level. Retail prices averaged 1.7 cents higher than the 56.0 cents per dozen of January-March 1962. Egg supplies in the second and third quarters, though declining seasonally, likely will be about as large as a year earlier. Because of the sharp break in April, egg prices in the beginning of the second quarter were probably at about the lowest level for the year and are not likely to climb much until after mid-1963. During the next few months prices may not be much different than a year ago.

For 1963 as a whole, total egg production and retail prices are expected to average about the same as in 1962. However, because of population growth, the prospective 1963 egg production will not be great enough to maintain the 1962 per capita consumption of eggs. Egg use per capita this year is expected to drop by possibly 10 eggs from the 324 per person in 1962.

Dairy Products

Production of milk in the first quarter of 1963 was nearly 1 percent under a year earlier. A larger proportion of current production moved directly into consumption during fall and winter 1962-63 than a year earlier. As a result, CCC purchases of dairy products dropped and commercial stocks of manufactured products declined. Total supplies of dairy products are high and will increase in the second quarter of 1963 as milk production rises seasonally. In 1962 total consumption of milk and dairy products in all forms was about 1 percent above 1961, but per capita consumption declined slightly, to 637 pounds of milk equivalent from 640 pounds in 1961. In 1963, the downtrend in per capita consumption is likely to continue. Retail prices of dairy products are declining seasonally and in 1963 are expected to average slightly below 1962.

Milk production was lower than a year earlier from December 1962 to March 1963. But production is increasing seasonally and may reach or exceed 1962 levels during the second quarter, depending largely on weather and resulting pasture conditions. Stocks of dairy products in commercial hands on the first of April were seasonally low and were about 17 percent under a year earlier, due to heavy reductions in stocks of butter, evaporated milk and cheese. However, present levels are still about 20 percent above the 1957-59 average for April 1.

Fluid milk and cream consumption (48 States) went down to 311 pounds per person in 1962 compared with 314 pounds in 1961. The nonfarm area dropped to 306 pounds from 310 in 1961, and the farm sector declined to 397 pounds from 400 in 1961. Increased sales of fluid milk and cream in 1963 likely are to be offset by declining use on farms where produced. Total consumption is expected to change little, and per capita consumption is expected to continue to decline.

Despite heavy donations of CCC butter for welfare, institutional, and school lunch programs, consumption per person in 1962 dropped to 7.2 pounds from 7.4 pounds in 1961. Consumption rates in 1963 likely will depend on the amount of CCC butter donated for welfare use.

Total cheese consumption in 1962 rose 7 percent to 9.1 pounds from 8.5 pounds in 1961, with the rise in consumption due to donations from CCC stocks for use in welfare and school lunch programs amounting to about 150 million pounds compared with 24 million in the previous year. Consumption of cheese from commercial sources declined from 5.5 pounds per person to 5.3 pounds per person. Indications in early 1963 are that consumption from commercial sources may rise this year.

The use of nonfat dry milk by the domestic civilian population, which had risen from 2.9 pounds per person in 1947 to 6.2 pounds in 1959-61, dropped 15 percent in 1962 to 5.3 pounds per person. This drop is attributed entirely to declines in the industrial use of the product.

In 1963 consumption per person of milk in all forms is likely to continue downward, probably at the same or a slightly faster rate than in 1962. However, with population up, some gain is expected in total consumption. Indications are that CCC donations of butter, cheese, and nonfat dry milk in domestic welfare and school lunch programs are not going to increase much in 1963. Therefore, the relatively large consumption in 1962 from such increases will not be repeated in 1963. Gains in total consumption in 1963 will have to come largely from the commercial sector of consumption and likely will be lower than in 1962.

Retail prices for all dairy products in 1962 were 0.7 percent lower than 1961 and continued below a year earlier during the first quarter of 1963. For the first quarter, the retail price index of all dairy products stood at 103.6 compared with 105.2 for the same period of 1962. This difference reflected a drop in dairy support levels. During the last 3 quarters of 1963, retail prices of dairy products probably will approximate the same period of 1962. In the second quarter, retail prices of dairy products likely will decline seasonally about 0.5 percent from first quarter levels, reaching the lowest level in June and rising during the third quarter.

Food Fats and Oils

Total food fats supplies through next September (the end of the current marketing year) will be slightly larger than during the comparable period last year. Domestic demand continues to expand, and exports are expected to remain high. Average retail prices in the first quarter of 1963 were below a year earlier. Retail prices of most food fats and oils should remain relatively stable throughout this spring and summer, possibly averaging slightly below last year.

The slightly greater supply of food fats and oils through September is due primarily to the increase in vegetable oil production and to the large stocks which were carried over from the last marketing year. Except for soybean oil, most food fat stocks on April 1, 1963, were substantially above their year-earlier levels. Soybean crushings in 1962-63 are expected to be around 7 percent above 1961-62.

For calendar year 1963, per capita consumption will average near the long-term rate of around 46 pounds (fat content) per year. Use per person of margarine and lard probably will show an increase over 1962, but shortening and other edible vegetable oils probably will remain near their consumption levels of last year, or possibly register slight declines.

Strong foreign demand for U. S. soybeans from dollar-importing countries and increased demand for vegetable oils under the Food for Peace Program is expected to keep exports moving at a record rate. Food fat exports (including oil equivalent of soybeans) during October-March 1962-63 totaled 2.1 billion pounds, about the same as a year earlier, despite the recent dock strike. Exports of food fats and oils during the 1962-63 marketing year may set a new record of around 4.6 billion pounds compared with 4.1 billion last year. Increased movement of soybeans, edible vegetable oils, and butter are expected but lard exports will be down from last season.

Average retail prices in early 1963 for all major food fat commodities except peanut butter were down about 2 percent from their comparable levels of 1962. Prices of butter, margarine, shortening,and salad dressings in the first quarter of 1963 were below those of a year earlier. Lard prices were about the same, but prices of shortening were down 6 percent and margarine prices were down 5 percent. The declines in retail prices reflect the lower cost of food fat ingredients used in these products, resulting from the decline in wholesale oil prices which began last summer. With domestic consumption approaching a seasonal decline, retail prices of food fat products should remain fairly stable, near their present levels throughout the summer season.

Based on early season indications, food fat supplies in 1963-64 will be about the same as those of the current marketing year. Beginning stocks (including oil equivalent of soybeans) should be about the same. But slight decreases are expected in the output of lard, butter,and cottonseed oil. Soybean supplies (including carryover) in 1963-64 should be up slightly from the 723 million bushels available in 1962-63. The strong demand generated for food fats and oils during the current marketing year is expected to continue well into 1963-64.

Fruit

Total supplies of fresh citrus fruits will continue considerably lighter during the summer than a year earlier, the result of the severe freezes last winter. Of the major citrus fruits, only California Valencia oranges are expected to be as plentiful as last year. Until next fall supplies of most processed citrus fruits and juices will be much smaller than the heavy supplies of a year earlier.

For fresh deciduous fruits, spring is a period of transition from cold storage stocks of the old crop to early marketings from the new crop. In early spring, stocks of both apples and pears were heavier than a year earlier, though decreasing with the approach of the end of the season. Supplies of processed deciduous fruits this spring compared with last appear as follows: Canned fruits, down slightly; dried fruits, about the same; and frozen fruits and berries, down a little.

Retail prices of most fresh and processed citrus fruits are expected to continue much higher for the rest of the season ending next fall than comparable prices last year. But prices for most fresh and canned non-citrus fruits during late spring and early summer probably will not be greatly different from year-earlier levels.

Supplies of fresh deciduous fruits during spring consist of storage stocks from the old crop, newly harvested fruit from the new crop, and light imports mainly from the southern hemisphere. On April 1, 1963, cold storage stocks of apples were about 10 percent larger than the average stocks a year earlier. Stocks of pears were about three times the light volume a year earlier. Since last fall, retail prices for fresh apples have averaged above year-earlier levels.

Supplies of 1963-crop fresh strawberries from the early spring States are considerably smaller than they were last year, the result of sharply reduced acreage, particularly in Louisiana. Acreage in the midspring and late spring States combined is about as large as last year. Retail prices for fresh strawberries this spring and summer may not be greatly different from those in 1962.

Production prospects on April 1 for peaches in the Southern States were for a crop a little larger than last year and near average. Peaches from these States and California are among the earliest of new-crop deciduous tree fruits to be marketed. In California most deciduous fruits bloomed earlier than normal. It is too early to get a good indication of the probable size of 1963 crops of deciduous fruits.

Over the past few years, bananas comprised about a third of the fresh noncitrus fruit consumed in mainland United States. Imports were curtailed during December 1962 and January and February 1963 as a result of shipping difficulties. As supplies in retail markets dwindled, prices rose sharply. But as supplies became more normal again, retail prices declined. During

May-December 1963, supplies probably will be about as large, and prices about the same, as in this period of 1962.

In late April, remaining supplies of 1962-63 crop citrus fruits were less than half of those of a year earlier, a result of damaging freezes in all citrus States last winter. In Florida, harvest of oranges and grapefruit will be substantially completed during May. But remaining supplies of California Valencia oranges, which comprise most of the fresh oranges marketed during summer, are a little larger than a year earlier. Retail prices for the remaining Florida oranges and grapefruit used fresh are expected to continue much above a year earlier, those of California oranges about the same as the high levels last spring and summer. Remaining supplies of California lemons also are lighter and priced higher than last year.

In 1962, per capita consumption of fresh citrus fruits was about 29 pounds, and that of fresh noncitrus fruits was about 58 pounds. For 1963, a substantial reduction is in prospect for consumption of fresh citrus fruit.

Canned fruit supplies from the record 1962-63 pack are expected to be a little smaller this spring and summer than a year earlier, the result of increased movement from canners. Stocks of 9 important canned deciduous fruits held by packers on April 1, 1963, were about 4 percent smaller than a year earlier. Fruits held in largest volume on April 1 were peaches, fruit cocktail, applesauce, and pears. In Florida, canners' stocks of grapefruit sections in early April were about a third smaller than a year earlier, the result of a sharp reduction in output. Stocks of canned pineapple held by Hawaiian packers were down considerably.

Retail prices for leading canned fruit items this spring and early summer probably will average close to those of a year earlier. Per capita consumption of canned fruits is expected to continue at the 1962 rate of a little more than 23 pounds.

Prospective supplies of processed citrus juices for late spring, summer, and at least early fall are much smaller than the heavy supplies of this period in 1962. This prospect is a reversal of the condition that prevailed over the past 12 months as a result of heavy output from the 1961-62 crop, increased carryover stocks last fall, and accelerated processing of the 1962-63 crop last winter because of the severe freeze. By late April processing of the 1962-63 Florida citrus crop was nearing the end, in contrast to heavy volume packing of the 1961-62 crop during May, June, and July last year. This means that current stocks of major items, which in mid-April were near or above a year earlier, will drop rapidly during late spring to levels much below comparable stocks in 1962. This is expected to be most pronounced for frozen orange concentrate, of which the new pack is expected to be less than half the record 1961-62 pack.

Retail prices for canned and frozen citrus juices, which increased sharply following the freezes last winter, are expected to continue this spring and summer at levels above a year earlier. Prices for other canned fruit juices may not be greatly different from year-earlier levels. Although prospective supplies of canned and frozen citrus juices for 1963 are substantially smaller than supplies for 1962, per capita consumption in 1963 may fall only moderately by drawing down carryover stocks from high levels last fall.

Total supplies of frozen deciduous fruits and berries during late spring and early summer probably will continue a little below those for the same period in 1962 but moderately above normal. On April 1, 1963, cold storage stocks of frozen deciduous fruits and berries were about 4 percent smaller than a year earlier. Stocks of most of these items will be reduced before being replenished in late spring or summer from 1963 output. Large volume freezing of strawberries usually starts in May, ahead of other items in processing. Retail prices for strawberries probably will continue a shade higher this spring than last. Per capita consumption of frozen deciduous fruits and berries in 1962 was approximately 4 pounds.

Total supplies of dried fruits during late spring and summer probably will be about as large as in this period of 1962. Reductions in raisins are about offset by increases in prunes. Retail prices of dried prunes, which have been a little lower than a year earlier, probably will continue below year-earlier levels. Per capita consumption of dried fruits in 1963 may be a shade under 3 pounds, the lowest of record.

Vegetables

Indications are that about the same quantity of fresh vegetables will be available for market this spring as last. However, barring weather problems such as occurred last spring, retail prices will be declining seasonally in the weeks ahead and are likely to average at least moderately below those of a year earlier. Remaining supplies of canned vegetables are heavy, and supplies of most frozen items ample to heavy. Prospects also point to continued heavy supplies of potatoes through the spring. With large remaining supplies of processed vegetables and indicated heavy supplies of potatoes, retail prices of these items are expected to remain at moderate to low levels.

Supplies of fresh vegetables, seasonally light during the winter, are increasing rapidly. Most major items will be in seasonally heavy supply in the months ahead and retail prices will decline from early spring levels. Early April estimates for crops which make up about four-fifths of total spring tonnage indicated about the same overall supplies of fresh vegetables this spring as last. Among important items, substantially less early spring cabbage and tomatoes are in prospect and slightly less spring lettuce. But indicated supply is larger for several crops, including early spring snap beans, broccoli, cauliflower, cucumbers, spring celery, green pepper, and sweet corn. Barring serious weather problems in major producing areas, and consequent

light marketings of some items such as occurred last spring, retail prices during the next 4 to 6 weeks are expected to average at least moderately below those of a year earlier. Based on early acreage reports, supplies of watermelons may be about the same this spring as last, but supplies of cantaloups likely will be a little smaller.

At the beginning of the second quarter, supplies of canned vegetables appear to be materially larger than those of a year earlier and supplies of frozen vegetables the same to slightly larger. Among the more important canned items, supplies of snap beans are a little smaller than a year ago, but supplies of canned sweet corn, tomatoes, and tomato products are materially larger and supplies of most other major items slightly to moderately larger. With few exceptions, retail prices of most major canned and frozen items are close to those of a year ago. Indications are that supplies of both canned and frozen vegetables will remain larger during the last half of the year. Early reports for 9 of the 10 major processing crops indicate that processors plan to plant or contract about 7 percent less acreage of these crops than last year. Sharp cuts in acreage are indicated for green lima beans, tomatoes, and sweet corn and a moderate cut for contract cabbage for kraut. Because of larger carryover stocks of a number of important items, however, supplies of both canned and frozen vegetables in the coming season would be close to those of the current season.

Consumption of frozen vegetables in the first quarter of this year appeared to be smaller than the very heavy movement of a year earlier, but movement of canned vegetables probably was larger. Demand for processed vegetables is expected to continue strong throughout the year. With continued heavy supplies in prospect and moderate to low retail prices, per capita consumption of canned vegetables in 1963 is expected to be close to the near record level of last year, and consumption of frozen probably larger.

Supplies of potatoes available during the first quarter of 1963 were not as burdensome as those of a year earlier, and retail prices averaged moderately above those of the first quarter of last year. Acreage intentions reports indicate that supplies of potatoes for the rest of the year are likely to be close to the heavy supplies of 1962. With potato production and supplies at the indicated high level, retail prices are likely to remain at moderate or low levels. Per capita consumption of potatoes for the year is expected to be about the same as in 1962.

Although the great bulk of sweetpotatoes from the 1962 crop have been marketed, indications are that remaining supplies are larger than those of a year earlier. However, March intentions reports indicate that growers plan 5 percent less acreage than last year and this might result in a slightly smaller crop. Nevertheless, fully ample supplies would be available, and prices at retail probably would remain at very reasonable levels. Per capita consumption

of sweetpotatoes in the first half of this year probably will be a little larger than in the first half of 1962.

Supplies of dry edible beans in early May appear to be a little smaller than the large supplies of a year earlier. Intentions reports indicate that growers plan moderately less acreage of dry beans this year than last, but if yields are normal, production may be slightly larger. Per capita consumption of beans in 1963 likely will be about the same as in 1962, with substantial quantities again moving into consumption through the school lunch and needy persons donations programs. Retail prices for dry beans in the remaining months of the year are not expected to differ greatly from current levels.

Grain and Bakery Products

Supplies of wheat continue to be more than adequate for domestic and export requirements. The 1963 wheat crop is expected to be somewhat above last year's small crop. The rice crop may be nearly as larger as last year's record crop.

During January-March, the retail prices of flour, white bread, biscuit mix, macaroni, soda crackers, and milled rice were above the same period a year earlier. In the remainder of the year consumer prices for these products are expected to rise slightly, continuing previous years' trends.

Per capita consumption of products made from food grains remain fairly constant or continue to decline. Milled rice consumption is notable for its stability on a per capita basis while wheat products continue their steady downward trend. Per capita use of wheat flour, which had shown little change for several years, dropped 3 pounds to 115 pounds in calendar year 1962. This same level of use is expected to prevail again in 1963.

The quantities of wet process corn products going into human food have increased rather sharply in recent years. Per capita consumption of corn sirup rose to 11.5 pounds in 1962, an increase of nearly 30 percent in the past 5 years and the highest since 1947. Corn sugar consumption increased 20 percent during the past 5 years to 3.9 pounds per capita in 1962. The quantity of corn starch used for food in 1962 was a little higher than in 1961 but has declined about 7 percent since 1956. In the first quarter of 1963, the total quantity of corn sugar and starch shipped from processing plants was a little larger than a year earlier, while corn sirup shipments were about 5 percent smaller. The consumption of cornmeal had declined steadily since 1943 with much of the reduction in quantities consumed by farm households. Cornmeal consumption for 1962 is estimated at about 7 pounds per capita, only about half the consumption at the close of World War II. Per capita consumption of oatmeal has averaged about 3.5 pounds in recent years and barley food products about 1 pound.

Retail prices of cereal and bakery products continued their upward trend in 1962 and early 1963. The average retail price of corn flakes in March 1963 was 5 percent higher than a year earlier, while retail prices of cornmeal and rolled oats averaged about 4 percent higher.

Sugar

The sugar tonnage available to the United States in 1963 likely will maintain approximately the same average per capita distribution as during 1958-1962--about 97 pounds of refined sugar equivalent. Despite this sufficiency of supplies, the domestic raw cane sugar price has risen sharply since the beginning of the year. This price increase has been only partially reflected in the level of wholesale refined sugar prices and has just begun to affect the retail price of sugar.

Total sugar quotas for 1963 were set at 9.8 million tons last December. Of the total, not quite three-fourths are for cane sugar and over a fourth are for beet sugar.

Sugar deliveries of primary distributors January 1 through April 20, 1963, amounted to 3.0 million tons, 11 percent more than during the same period in 1962. The heavy recent increase in sugar deliveries in part reflects inventory accumulations by sugar users ("invisible sugar inventories") in response to announcements of increases in wholesale prices.

Sugar deliveries in consumer-size packages dropped from 33.2 percent of all sugar deliveries in 1961 to 31.6 percent in 1962. This is an acceleration of a trend of many years. The most pronounced decline in the deliveries of consumer-size packages took place in the North Central Region.

The world raw sugar spot price rose from a 21-year low of 2.05 cents per pound at the end of January 1962 to 5.75 cents 1 year later and to 8.5 cents on May 1, 1963. The rise resulted from declines in production in major producing countries, dwindling inventories, and a rise in demand for sugar. The domestic raw sugar price rose from a 1962 average of 6.4 cents per pound to 9.8 cents on May 1, 1963.

The Northeast refined cane sugar wholesale price rose from an average 1962 level of 9.6 cents to 10.2 cents in mid-March and to 12.1 cents as of May 1, 1963. Wholesale refined sugar prices in other parts of the country have risen less.

The national average retail price for sugar in 5-pound packages has only begun to reflect recent wholesale price increases. The retail price was quoted at 11.9 cents per pound in mid-March 1963 compared with a 1962 average of 11.7 cents.

Table 6.--Production of major food commodities, calendar years, 1947-49 and 1957-59 averages, 1960-62 and preliminary indications for 1963, with percentage comparisons 1/

Commodity	Unit	Average 1947-49	Average 1957-59	1960	1961	1962 Preliminary	Preliminary indications for 1963 2/	1963 as a percentage of 1947-49	1963 as a percentage of 1957-59	1963 as a percentage of 1962
Meats (carcass weight)										
Beef	Mil.lb.	9,649	13,704	14,727	15,296	15,296	16,300	169	119	107
Veal	Mil.lb.	1,454	1,240	1,108	1,045	1,015	985	68	79	97
Lamb and mutton	Mil.lb.	716	711	768	832	809	710	99	100	88
Pork (excluding lard)	Mil.lb.	10,281	10,957	11,605	11,412	11,841	12,215	119	111	103
Total meats	Mil.lb.	22,100	26,612	28,208	28,585	28,961	30,210	137	114	104
Poultry and eggs 3/										
Eggs	Mil.doz.	5,086	5,475	5,329	5,315	5,354	5,275	104	96	99
Chicken (ready-to-cook)	Mil.lb.	2,753	4,880	5,228	5,828	5,830	6,235	226	128	107
Turkey (ready-to-cook)	Mil.lb.	492	1,065	1,162	1,506	1,302	1,340	272	126	103
Dairy products										
Total milk	Bil.lb.	4/116.3	123.3	122.8	125.3	125.8	126.5	109	103	101
Cheese 5/	Mil.lb.	1,160	1,396	1,478	1,630	1,571	1,700	147	122	108
Condensed and evaporated milk	Mil.lb.	3,497	2,789	2,666	2,624	2,441	2,505	72	90	103
Ice cream (product weight)	Mil.lb.	2,758	3,212	3,348	3,335	3,371	3,405	123	106	101
Fats and oils										
Butter, farm and factory (actual weight)	Mil.lb.	1,611	1,477	1,435	1,536	1,584	1,545	96	105	98
Lard 6/	Mil.lb.	2,419	2,584	2,563	2,517	2,480	2,515	104	97	101
Margarine (actual weight)	Mil.lb.	839	1,549	1,695	1,724	1,726	1,785	213	115	103
Shortening	Mil.lb.	1,434	2,022	2,313	2,456	2,686	2,675	187	132	100
Cooking and salad oil 7/	Mil.lb.	8/	8/	1,915	2,124	2,534	2,400	---	---	95
Other edible fats and oils 9/	Mil.lb.	3,912	7,297	8,603	8,585	9,577	9,700	248	133	101
Total fats and oils (fat content) 10/	Mil.lb.	7,627	11,070	12,321	12,338	13,332	13,460	176	122	101
Fruits										
Fresh:										
Citrus	Mil.lb.	8,783	6,695	6,776	6,360	6,136	4,800	55	72	78
Apples (commercial)	Mil.lb.	3,775	3,972	3,472	3,835	3,700	3,700	98	93	100
Other (excluding melons)	Mil.lb.	4,493	4,082	3,911	4,017	4,049	4,000	89	98	99
Processed:										
Canned fruit	Mil.lb.	2,597	3,591	3,790	4,057	4,232	4,000	154	111	95
Canned fruit juices	Mil.lb.	2,230	2,177	2,160	2,084	2,090	1,900	85	87	91
Frozen (including juice)	Mil.lb.	416	1,557	1,620	1,741	2,012	1,400	337	90	70
Dried	Mil.lb.	961	697	694	757	692	8/	---	---	---
Vegetables										
Fresh vegetables and melons 11/	Mil.lb.	22,565	24,375	26,094	25,568	25,411	25,700	114	105	101
Fresh vegetables	Mil.lb.	18,504	19,921	21,452	21,125	20,926	21,200	115	106	101
Melons	Mil.lb.	4,061	4,454	4,642	4,443	4,485	4,500	111	101	100
Canned	Mil.lb.	6,086	7,879	8,021	8,814	9,406	8,400	138	107	89
Frozen	Mil.lb.	448	1,469	1,953	2,110	2,063	2,125	474	145	103
Potatoes	Mil.cwt.	248	252	257	294	268	270	109	107	101
Sweetpotatoes	Mil.cwt.	25.3	18.2	15.4	15.2	18.5	17.9	71	98	97
Dry edible beans 12/	Mil.lb.	1,854	1,797	1,792	2,029	1,883	1,930	104	107	102
Dry field peas 12/	Mil.lb.	401	376	324	354	495	430	107	114	87
Sugar, raw basis	1,000 short tons	2,066	2,732	3,076	3,176	3,280	3,775	183	138	115
Grains										
Wheat	Mil.bu.	1,251	1,178	1,357	1,235	1,092	1,167	93	99	107
Rye	Mil.bu.	23.1	28.3	33.0	27.5	41.2	32.0	139	113	78
Rice, milled	Mil.lb.	2,333	2,867	3,529	3,637	3,661	4,297	184	150	117
Corn, grain only	Mil.bu.	2,788	3,409	3,908	3,626	3,644	3,946	142	116	108
Oats	Mil.bu.	1,294	1,248	1,155	1,011	1,032	1,006	78	81	97
Barley	Mil.bu.	279	447	431	396	429	393	141	88	92
Peanuts, farmers' stock basis	Mil.lb.	2,128	1,613	1,786	1,743	1,811	8/	---	---	---

1/ Calendar year basis except for fresh citrus fruit for which the season begins in the fall of the previous year; dried fruits on a pack year beginning year indicated; rice on a marketing year ending year indicated. Data for Alaska and Hawaii are not included. 2/ Estimate or preliminary indication based on trends in livestock numbers, current or prospective rates of output, average or probable acreages and yields, and such other data or advance estimates as are available. These estimates are used only to indicate the general level of food supplies for domestic consumption for 1963, but they are based on such official estimates of production as are available at this time. Revisions will of course be made from time to time throughout the year as official indications or estimates are issued through the Crop Reporting Board of the Department. 3/ Includes an allowance for nonfarm production. 4/ Includes an allowance for nonfarm production of 1.1 billion pounds in 1947-49. 5/ Excludes full skim, cottage, pot, and bakers' cheese. 6/ Includes amount used in manufactured food and nonfood products. 7/ Fully processed liquid vegetable oils. Including use in mayonnaise and salad dressings, potato products, bakery products and in fish canning, etc. 8/ Not available. 9/ Includes cottonseed, peanut, soybean, corn, edible olive, and oleo oils, oleo stock, oleostearine, and edible tallow later processed into margarine, shortening, cooking and salad oils, etc., and nonfood items. 10/ Includes butter, lard, and "other edible fats and oils." 11/ This series covers total commercial production for sale as fresh both for shipment to distant markets and for local markets; includes quantities not harvested. Excludes farm garden output for farm household use. 12/ Cleaned basis.

Table 7.--Retail food prices indexes and Consumer Price Index, 1935-39 and 1947-49 averages, 1950-59 and 1960-63 by months

(Index, 1957-59=100)

Year and month	Food at home											Food away from home	All food	Consumer Price Index
	Meat 1/	Poultry 2/	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fruits and vegetables	Cereal and bakery products	Sugar and sweets	Beverages	Total			
1935-39	37.8	68.7	28.9	60.3	45.9	65.4	39.6	45.6	48.3	27.5	42.6	5/	41.9	48.7
1947-49	86.7	132.5	86.4	122.7	88.3	117.9	80.9	75.5	85.4	56.1	86.1	5/	84.7	81.5
1950	91.4	126.1	89.0	104.7	84.7	94.2	79.0	78.8	86.9	85.9	87.1	5/	85.8	83.8
1951	103.6	132.1	101.6	127.4	94.5	110.3	86.3	86.0	90.1	94.7	96.9	5/	95.4	90.5
1952	102.6	132.6	99.0	116.3	98.5	93.5	94.8	88.1	90.9	95.3	98.6	5/	97.1	92.5
1953	95.8	129.3	95.3	123.2	96.8	93.9	91.8	89.8	91.9	97.9	96.8	89.3	95.6	93.2
1954	95.3	116.7	95.8	103.1	93.7	98.9	90.5	91.9	93.8	116.3	96.3	90.9	95.4	93.6
1955	87.7	121.5	93.9	106.5	93.6	95.9	91.8	93.4	95.8	104.2	94.4	91.8	94.0	93.3
1956	84.8	106.5	93.8	105.9	96.0	98.0	96.3	94.7	93.6	108.9	94.8	93.6	94.7	94.7
1957	94.2	103.8	95.0	100.9	98.8	102.4	96.0	98.4	96.3	108.1	97.9	97.1	97.8	98.0
1958	104.9	102.6	101.6	106.1	100.3	101.2	102.8	100.4	100.7	100.5	102.2	100.0	101.9	100.7
1959	101.0	93.5	103.4	92.9	101.0	96.5	101.2	101.2	102.9	91.3	99.7	102.8	100.3	101.5
1960	99.2	95.0	103.5	100.1	103.2	92.1	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.1
Jan.	96.0	94.6	103.3	89.2	102.9	93.0	101.7	101.7	103.6	90.7	98.7	104.4	99.7	102.2
Feb.	95.7	96.0	103.1	84.0	102.9	91.4	101.9	102.0	103.4	90.3	98.5	104.6	99.5	102.4
Mar.	96.5	98.3	103.1	86.4	102.8	91.2	101.1	102.2	103.5	90.2	98.7	104.8	99.7	102.4
Apr.	98.9	97.9	103.1	97.3	101.9	91.5	105.1	102.4	103.3	90.7	100.4	105.2	101.3	102.9
May	99.7	95.8	103.4	92.1	101.6	91.0	107.5	102.3	103.2	91.0	100.7	105.3	101.4	102.9
June	100.3	95.0	103.5	89.8	101.6	90.9	110.1	102.6	103.2	91.2	101.3	105.5	101.9	103.1
July	100.5	97.6	103.3	90.3	102.3	91.5	108.7	103.7	103.3	91.6	101.5	105.6	102.2	103.2
Aug.	101.4	95.8	103.2	98.3	103.0	92.1	103.0	103.8	104.2	90.5	101.0	105.8	101.8	103.2
Sept.	100.3	94.2	103.3	110.2	103.8	92.8	100.8	103.9	104.8	90.2	101.0	106.0	101.9	103.3
Oct.	100.5	91.4	103.6	122.2	104.6	92.7	101.0	104.4	104.0	90.6	101.7	106.0	102.5	103.7
Nov.	100.3	92.2	104.1	121.1	105.0	93.5	102.1	104.5	102.5	90.7	101.9	106.2	102.6	103.8
Dec.	101.0	91.4	104.2	120.7	105.4	94.0	102.2	104.8	102.0	90.6	102.2	106.5	102.9	103.9
1961	100.5	85.8	105.8	100.1	104.8	98.6	104.2	105.4	101.4	90.7	101.5	107.8	102.6	104.7
Jan.	102.0	92.7	104.7	111.5	105.2	94.5	102.0	104.9	101.6	90.7	102.0	106.6	102.8	103.8
Feb.	101.9	94.6	105.5	105.6	105.1	94.7	102.9	105.1	101.5	91.2	102.1	106.8	102.9	103.9
Mar.	101.5	94.8	105.0	100.9	104.7	96.5	103.4	105.3	101.5	90.7	101.8	107.1	102.7	103.9
Apr.	100.8	92.3	105.2	93.4	104.2	98.2	106.3	105.4	101.5	91.1	101.8	107.3	102.7	103.9
May	99.7	86.6	105.5	90.3	103.8	99.5	107.0	105.4	101.5	90.9	101.3	107.4	102.3	103.8
June	98.8	81.6	104.9	89.9	103.6	100.4	109.5	105.4	101.5	91.2	101.4	107.6	102.5	104.0
July	99.2	82.0	105.5	98.2	104.2	100.5	111.8	105.1	101.4	91.1	102.4	108.0	103.4	104.4
Aug.	99.7	82.8	105.5	97.7	104.7	99.9	107.1	105.3	101.4	91.0	101.7	107.9	102.7	104.3
Sept.	101.2	80.9	105.8	104.0	105.1	99.9	102.3	105.4	100.9	90.7	101.4	108.6	102.6	104.6
Oct.	101.6	79.9	106.5	108.2	105.1	99.5	99.4	105.7	101.2	90.5	101.2	108.7	102.5	104.6
Nov.	100.3	79.2	107.3	102.6	105.5	99.4	98.4	106.3	101.0	89.9	100.5	109.0	101.9	104.6
Dec.	99.9	82.6	108.0	99.0	105.6	99.4	99.8	106.3	101.0	89.6	100.6	109.1	102.0	104.5
1962	6/102.5	6/90.7	6/110.2	6/94.6	104.1	6/98.5	105.0	107.6	6/101.4	6/89.3	102.2	110.7	103.6	105.4
Jan.	100.4	90.0	108.7	99.7	105.6	99.5	100.6	106.6	101.0	89.5	101.2	109.2	102.5	104.5
Feb.	100.6	95.0	109.6	100.0	105.1	99.5	102.9	107.1	101.3	89.4	101.9	109.5	103.1	104.8
Mar.	100.5	94.9	109.6	94.0	105.0	99.7	104.4	107.3	101.2	89.1	101.9	109.7	103.2	105.0
Apr.	100.7	89.6	110.2	89.2	103.7	99.7	108.6	107.3	101.1	89.2	102.1	109.9	103.4	105.2
May	100.2	88.2	110.5	85.5	103.0	99.8	109.4	107.5	101.1	89.2	101.9	110.1	103.2	105.2
June	100.2	89.0	110.7	81.3	102.7	99.0	111.9	107.4	101.3	89.1	102.1	110.6	103.5	105.3
July	101.8	87.9	110.6	84.6	103.5	98.4	109.9	107.9	101.5	89.2	102.4	110.9	103.8	105.5
Aug.	103.6	89.9	110.9	89.8	103.9	98.0	105.2	107.8	101.5	89.4	102.3	111.4	103.8	105.5
Sept.	107.8	93.1	110.8	103.1	104.2	97.0	102.2	107.9	101.7	89.8	103.5	111.5	104.8	106.1
Oct.	105.4	91.0	110.7	104.6	104.3	97.1	102.0	108.0	101.7	89.6	102.9	111.8	104.3	106.0
Nov.	104.5	92.5	110.2	101.1	104.2	97.1	102.1	108.4	101.9	88.9	102.6	111.9	104.1	106.0
Dec.	104.1	86.8	110.4	101.8	103.9	96.8	100.2	108.2	101.8	88.7	101.9	112.2	103.5	105.8
1963														
Jan.	103.6	90.0	111.0	103.1	103.8	96.8	106.4	108.7	102.0	88.9	103.2	112.3	104.7	106.0
Feb.	102.8	91.0	110.0	100.1	103.6	96.8	109.4	109.2	102.6	89.1	103.5	112.5	105.0	106.1
Mar.	101.2	91.1	110.4	98.6	103.5	96.2	109.6	109.1	102.9	88.9	103.0	112.6	104.6	106.2

1/ Beef, veal, lamb and mutton, pork, and processed meat.
2/ Chicken is only item included.
3/ Includes butter.
4/ Excludes butter.
5/ Data not collected prior to 1953.
6/ Annual average computed by ERS.

Bureau of Labor Statistics.

SELECTED RECENT ARTICLES, REPORTS, AND SPEECHES PERTAINING TO FOOD CONSUMPTION DATA AND ANALYSES 1/

Consumption and Demand

"The Agricultural Outlook for 1963 and for the Next 5 Years," paper by Frederick V. Waugh. 40th Annual Agr. Outlook Conf., Washington, D. C., Nov. 13, 1962. 14 pp.

Consumer Expenditures and Income, 1960, U. S. Dept. of Labor, Bureau of Labor Statistics, Nov. 1962-Apr. 1963. 2/ [Advanced reports of summary data from Survey of Consumer Expenditures in 1960 now available for 15 selected large and middle-size cities. See more detailed notice in the "Brief Topics" section of this report.]

"The Consumer in the Soviet Union and the United States," by Janet G. Chapman. Monthly Labor Review, Vol. 86, No. 1, Jan. 1963. Pp. 11-13. 55 cents. 3/ [Summary of paper presented at Conference on the Economics of Soviet Industrialization, Princeton, N. J., May 1961. Includes some comparisons of consumption rates for foods.]

Consumer Purchase Patterns for Individual Fresh, Frozen and Canned, Fruits and Vegetables, by James D. Shaffer. Mich. State Univ. Consumer Panel Bull. No. 8, 1962. 55 pp. [MSU Consumer Panel, Lansing, Mich., 1952-58.] 4/

"The Consumers' Advisory Council," by Rosalind Lifquist. Mktg. and Trans. Sit., MTS-147, Nov. 1962. Pp. 21-22.

Dehydrofrozen Apple Slices: Their Potential in Selected Markets, by Edward J. McGraph and Howard W. Ken, Jr. Mktg. Res. Rept. No. 578, Jan. 1963. 20 pp. [Study of commercial bakers' acceptance in Baltimore, Md., Philadelphia, Pa., and Washington, D. C. during 1960 and 1961.]

"The Domestic Rice Market," paper by Marshall E. Miller. Third Conference on Rice Utilization, New Orleans, La., March 19, 1963. 7 pp.

Estimated Number of Day's Supply of Food and Beverages in Retail Stores, 1962, by Michael G. Van Dress. Mktg. Res. Rept. No. 577, Dec. 1962. 80 pp. [Caloric value of all foods combined and fluid ounces of total noncentrated liquids shown by region, State and county. Revision of Mktg. Res. Rept. No. 286 of Nov. 1958.]

Family Food Plans and Food Costs, by Eloise Cofer, Evelyn Grossman, and Faith Clark. Home Econ. Res. Rept. No. 20, Nov. 1962. 54 pp. 5/ [Summarizes history, methodology, and use of USDA food plans for different family sizes at different cost levels.]

Food Consumption and Dietary Levels of Households of Different Sizes, United States -- by Region. Consumer and Food Economics Research Div., ARS. Report No. 17, 1955 Household Food Consumption Survey, Jan. 1963. 168 pp. 5/ [Last of statistical reports in this series.]

"Future Institutional Market Information -- Problems and Responsibilities," paper by Robert B. Reese and Philip B. Dwoskin. Annual Meeting of Institutional Food Manufacturers of America, Aurora, Ill., Dec. 5, 1962. 3 pp. [Summary of data needs in institutional food field.]

The Market Potential for Superconcentrated Apple Juice, by Edward J. McGraph and Margaret Weidenhamer. Mktg. Res. Rept. No. 582, Jan. 1963. 54 pp. [Report on market test and household consumer survey in Ft. Wayne, Ind., June-July 1960.]

Market Test of Instant Sweetpotatoes in Selected Institutional Outlets, by Philip B. Dwoskin, O. C. Hester, Howard W. Kerr, Jr. and James A. Bayton. Mktg. Res. Rept. No. 580, Jan. 1963. 41 pp. [Study of institutional acceptance in Cleveland and New Orleans during spring 1962.]

"National Economic Situation and Outlook for 1963," paper by Rex F. Daly. 40th Annual Agr. Outlook Conf. Washington, D. C., Nov. 13, 1962. 10 pp.

"The National Environment for Business and Agriculture in the 1970's," paper by Rex F. Daly. Connecticut Coop. Ext. Conf., Storrs, Conn., Jan. 23, 1963. 22 pp. [Includes some discussion of food consumption projections.]

The Pilot Food Stamp Program -- A Continuing Experiment, by Robert B. Reese. ERS-97, reprinted from Nov. 1962 Mktg. and Trans. Sit. 2 pp. [Summary of program since initiated in mid-1961.]

SELECTED RECENT ARTICLES, REPORTS, AND SPEECHES PERTAINING TO FOOD CONSUMPTION DATA AND ANALYSES 1/ -Continued

Consumption and Demand -Continued

Pilot Food Stamp Program, Its Effect on Retail Food Store Sales in Fayette County, Pa. and McDowell County, W. Va., by Nick Havas and Robert E. Frye. Agr. Econ. Rept. No. 29, Apr. 1963. 10 pp.

Redi Wheat -- A New Canned Cooked Bulgar, Market Position and Consumer Acceptance in Wichita, Kansas, by Haven D. Umstott and Dan S. Hollen. Mktg. Res. Rept. No. 574, Dec. 1962. 76 pp. [Report on market test and household consumer survey conducted in 1961.]

"Structure of the Domestic Market for Beef," paper by Robert J. Lavell at National Beef Cattle Conference, Ames, Iowa, Nov. 12, 1962. 14 pp. [Includes discussion of factors affecting consumption and projections to 1967.]

Supply and Utilization of Butterfat and Solids-Not-Fat in Austin-Waco, Corpus Christi and San Antonio Milk Marketing Areas (1955-1959), by Randall Stelly and Brooks Sitton. Texas Agr. Expt. Sta. Misc. Pub. 554, Jan. 1962. 11 pp. 6/

Sweeteners Used by the Dairy Industry, Their Competitive Position in the United States, by Roy A. Ballinger and L. C. Larkin. Agr. Econ. Rept. No. 30, Apr. 1963. 18 pp. [Second in series of reports on use of sweeteners in various food industries.]

Sweeteners Used by Food Processing Industries in the United States -- Their Competitive Position in the Canning Industry, by Roy A. Ballinger and L. C. Larkin. Agr. Econ. Rept. No. 20, Nov. 1962. 16 pp. [First of a series of reports on use of sweeteners in various food industries.]

"Trends in the Consumption of Beef and Pork." Livestock and Meat Sit., LMS-129, Mar. 1963. pp. 22-24. [Comparison of pre-World War II and post-war relationships of retail prices and per capita consumption.]

Prices and Marketing Costs

"Costs and Profits in Marketing Farm Products." Mktg. and Trans. Sit., MTS-147, Nov. 1962. Pp. 11-18

The Current and Prospective Cattle Situation. Apr. 1963. 20 pp. [Special report on prices and supplies of cattle and beef.]

Developments in Marketing Spreads for Agricultural Products in 1961. ERS-14 (1962), Oct. 1962. 24 pp. [Annual summary.]

Marketing Margins for White Bread. Misc. Pub. No. 712, Nov. 1962. 15 pp.

The Impact of Technological Change on Marketing Costs and Grower's Returns -- Case Studies for Potatoes, Snap Beans, Oranges, Lemons, by Henry T. Badger. Mktg. Res. Rept. No. 573, Dec. 1962. 31 pp.

Marketing Margins for Fruits and Vegetables, by Victor G. Edman. ERS-106, reprinted from Feb. 1963 Mktg. and Trans. Sit. 7 pp. [U. S. data for 1953 and 1958-62; selected fruit data by city, 1961-62.]

Marketing Spreads for Beef and Pork, by Victor B. Phillips. ERS-104, reprinted from Feb. 1963 Mktg. and Trans. Sit. 7 pp. [Presentation of data, 1953-62.]

Marketing Spreads for Eggs and Frying Chickens in the United States and Selected Cities, by Leo R. Gray. ERS-105, reprinted from Feb. 1963 Mktg. and Trans. Sit. 9 pp. [U. S. data from 1952-62 and selected city data, 1961-62.]

Prices: A Chartbook, 1953-62. U. S. Dept. of Labor, Bureau of Labor Statistics Bull. No. 1351, Dec. 1962. 206 pp. $1.50. [Graphic and tabular summary of retail and wholesale price trends, including some data for foods.] 3/

Prices and Marketing Margins for Washington Delicious Apples Sold in Chicago and New York City, 1956-1961, by Victor G. Edman. Mktg. Res. Rept. No. 586, Feb. 1963. 10 pp.

Retail Price Specials for Frying Chickens in Selected U. S. Cities, 1960-61, by Leo R. Gray. ERS-101, Jan. 1963. 20 pp.

SELECTED RECENT ARTICLES, REPORTS, AND SPEECHES PERTAINING TO FOOD CONSUMPTION DATA AND ANALYSES 1/ -Continued

Marketing

Advertising Procedures and Practices of Agricultural Commodity Promotion Groups, by Robert E. Frye, Harper W. Boyd, Jr. and Ralph Westfall. Mktg. Res. Rept. No. 567, Nov. 1962. 32 pp.

Economic Effects of U. S. Grades for Lamb, by Darrell F. Fienup, William C. Motes, Stephen J. Hiemstra, and Robert L. Laubis. Agr. Econ. Rept. No. 25, Feb. 1963. 67 pp.

Economics of Sugarbeet Marketing, by Donald Jackson. ERS-49, Mar. 1962. 36 pp.

"Marketing and New Products," paper by Philip B. Dwoskin. 40th Annual Agr. Outlook Conf., Washington, D. C., Nov. 14, 1962. 9 pp.

"Merchandising Research on Package Evaluation and Store Layout," paper by Nick Havas. Food Merchandising Class, American Univ., Washington, D. C., Mar. 19, 1963. 18 pp.

Milk Movement Patterns in the Southeast, by D. H. Carley and J. C. Purcell. Southern Cooperative Series Bull. 84, Apr. 1962. 76 pp. 7/

"Response of Lamb Sales to Promotion," paper by Peter L. Henderson. Joint Meeting American Farm Economic Association and American Marketing Association, Pittsburgh, Pa., Dec. 29, 1962. 14 pp.

"What's Behind Retailing Changes," by A. C. Neilson. Printers' Ink, Vol. 282, No. 2, Jan. 11, 1963. Pp. 39-43. 35 cents. 8/

Other

"Agricultural Imports in 1962 Increased 5 Percent," by Dewain H. Rahe. Foreign Agricultural Trade of the United States, Mar. 1963. Pp. 6-10. [Summary of U. S. food and nonfood agricultural imports in 1961 and 1962.]

"Agricultural Imports of the European Common Market," by Jiryis S. Oweis and Alex D. Angelidis. Foreign Agricultural Trade of the United States, Apr. 1963. Pp. 6-38.

Fact Book of U. S. Agriculture. Office of Information, USDA, Revised Mar. 1963. 169 pp. [Reference source for writers and speakers on agriculture.] 9/

Five-Year Projections for the Dairy Industry, 1962-1967. ERS-96, Nov. 1962. 4 pp.

"Harmonic Analysis of Seasonal Variation With An Application to Hog Production," by Martin E. Abel. Jour. American Stat. Ass'n., Vol. 57, No. 299, Sept. 1962. Pp. 655-667. $3.00. 10/

Periodic Reports of Agricultural Economics. Jan. 1963. 15 pp. [Indicates contents, how to obtain, and approximate issue dates for periodic reports.]

Recent Population Trends in the United States With Emphasis on Rural Areas, by Calvin L. Beale and Donald J. Bogue. Agr. Econ. Rept. No. 23, Jan. 1963. 48 pp.

The 1963 World Agricultural Situation. Dec. 1962. 38 pp. [Annual summary of world agricultural production, trade, prices and outlook.]

1/ Selected on basis of usefulness for economic analysis of food consumption trends and patterns. Unless otherwise indicated, items listed are Economic Research Service publications and may be obtained from the Division of Information, Office of Management Services, U. S. Department of Agriculture, Washington 25, D. C. 2/ Available from Office of Publications, Bureau of Labor Statistics, U. S. Department of Labor, Washington 25, D. C. 3/ For sale by Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. 4/ Available from Michigan Agricultural Experiment Station, Michigan State University, East Lansing, Michigan. 5/ Available from Consumer and Food Economics Research Division, ARS, U. S. Department of Agriculture, Washington 25, D. C. 6/ Issued by Texas Agricultural Experiment Station, College Station, Texas. 7/ Available from Georgia Experiment Station, Experiment, Ga. 8/ For sale by Printers' Ink, 100 Garfield Avenue, New London, Conn. 9/ Available from Office of Information, U. S. Department of Agriculture, Washington 25, D. C. 10/ Available in most large libraries and for sale by the American Statistical Association, 810 18th Street, N.W., Washington 6, D.C.

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The next issue of the National Food Situation is scheduled for release August 9, P. M.

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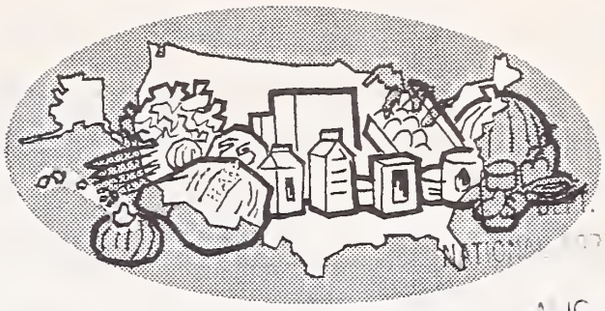
NATIONAL FOOD SITUATION



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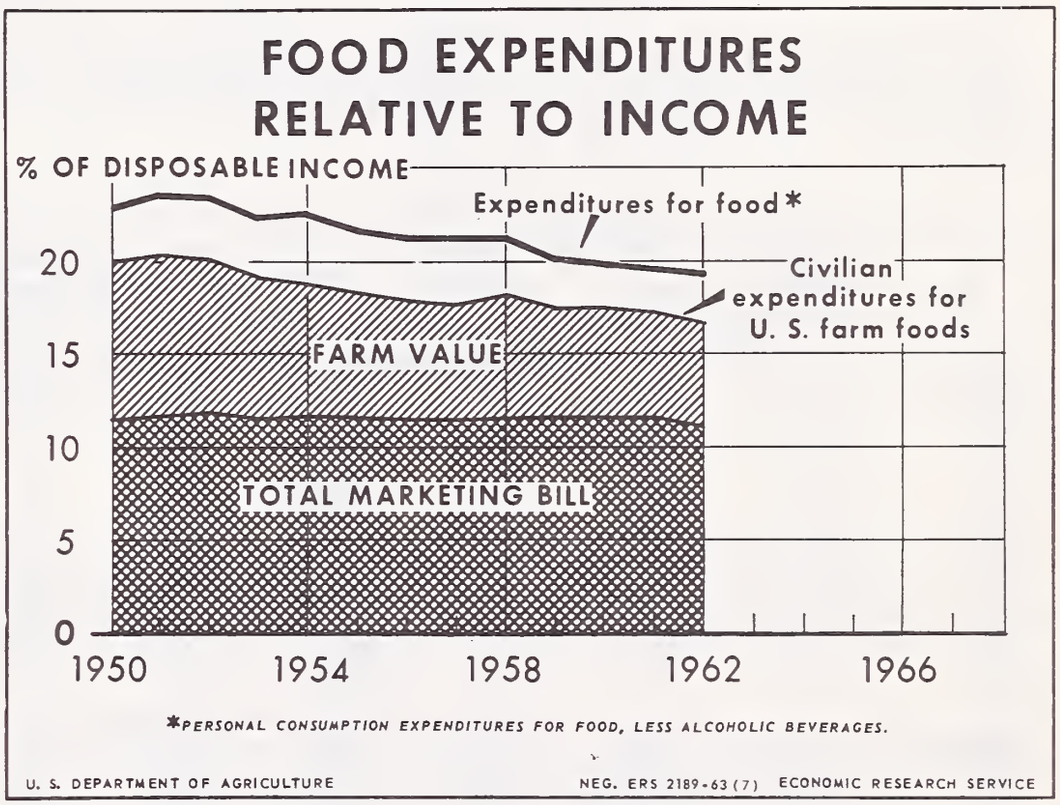
In 1962, 19 percent of disposable personal income was spent for food. A smaller proportion of income was spent for food in 1962 than a decade earlier. As a share of disposable income, the total bill for marketing U. S. farm-originated foods held about steady during the last 10 years. In contrast, the total farm value declined sharply as a percent of income.



IN THIS ISSUE

World Food Congress

Food Consumption Under the Food Stamp Program

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Table 1.--Volume of farm marketings and home consumption

(Index numbers, 1947-49=100)

Item	1935-39 average	1955	1956	1957	1958	1959 1/	1960 1/	1961 1/	1962 1/	1963 Preliminary 1/ 2/	1963 as a percentage of 1935-39	1963 as a percentage of 1962
Marketings and home consumption of all farm commodities 3/	73	112	117	112	119	124	127	128	130	131	179	101
Food grains 4/	54	81	90	78	109	104	114	111	99	110	204	111
Vegetables 5/	88	97	101	100	100	101	102	106	107	103	117	96
Fruit and nuts 6/	89	103	105	103	103	110	104	107	109	104	117	95
Sugar crops	106	107	107	122	120	130	134	148	150	160	151	107
Total food crops 7/	74	91	96	91	105	104	107	109	104	107	145	103
Meat animals	73	119	125	120	1/117	125	126	129	130	134	184	103
Poultry and eggs	63	122	134	137	1/145	151	150	162	161	163	259	101
Dairy products	88	107	110	111	1/110	109	110	112	113	114	130	101
Total food livestock 8/	75	116	123	121	1/120	126	126	131	132	135	180	102
Food marketings and home consumption.	75	110	116	113	116	120	122	125	125	127	169	102

1/ Incorporates revisions based on the 1959 Census of Agriculture. 2/ Estimates for 1963 are based on calendar-year quantities estimated as of July 1963. 3/ Food and nonfood items. 4/ Wheat, rye, rice and buckwheat. 5/ Truck crops for fresh use and processing, potatoes, sweetpotatoes, dry edible beans, dry field peas, mung beans. 6/ Except peanuts. 7/ In addition to the crops listed above, includes peanuts, peppermint, popcorn, spearmint, and vegetables grown under glass. 8/ Also includes honey, but excludes turkey hatching eggs.

Table 2.--Index of net supply-utilization of farm commodities, 1947-49 and 1957-59 averages, and 1950-62 1/

Year	Net production 2/	Net imports 3/	Stock change 4/	Net utilization	Domestic use: Food: Civilian	Domestic use: Food: Military 5/	Domestic use: Net nonfood 6/	Exports and shipments
			Section a. Percentage of net utilization in each year					
1947-49	91.4	11.5	-2.9	100.0	75.1	3.3	13.2	8.4
1957-59	90.2	11.6	-1.8	100.0	76.0	1.4	10.9	11.7
1950	87.3	12.4	.3	100.0	75.2	1.7	14.2	8.9
1951	85.4	11.6	3.0	100.0	72.7	3.4	13.3	10.6
1952	91.6	11.6	-3.2	100.0	75.8	2.5	12.5	9.2
1953	92.9	12.0	-4.9	100.0	77.0	2.3	12.7	8.0
1954	93.5	10.6	-4.1	100.0	77.5	2.0	11.6	8.9
1955	93.0	11.0	-4.0	100.0	77.1	1.7	11.9	9.3
1956	90.1	10.8	-.9	100.0	75.3	1.6	11.5	11.6
1957	88.4	10.7	.9	100.0	75.0	1.4	10.7	12.9
1958	93.2	11.4	-4.6	100.0	76.6	1.5	10.8	11.1
1959	89.4	12.7	-2.1	100.0	76.1	1.4	11.3	11.2
1960	90.5	11.6	-2.1	100.0	74.4	1.2	10.6	13.8
1961	87.8	12.1	.1	100.0	74.5	1.4	10.5	13.6
1962	88.1	12.9	-1.0	100.0	74.7	1.4	10.7	13.2
1963 7/	87.1	12.5	.4	100.0	74.7	1.3	10.5	13.5
			Section b. Percentage of net utilization in 1957-59					
1947-49	78.0	9.8	-2.5	85.3	64.0	2.8	11.3	7.2
1957-59	90.2	11.6	-1.8	100.0	75.9	1.4	10.9	11.8
1950	76.2	10.8	.3	87.3	65.6	1.5	12.4	7.8
1951	76.6	10.4	2.7	89.7	65.2	3.0	12.0	9.5
1952	81.5	10.3	-2.8	89.0	67.5	2.3	11.1	8.1
1953	83.6	10.8	-4.4	90.0	69.3	2.1	11.4	7.2
1954	84.9	9.6	-3.8	90.7	70.3	1.8	10.5	8.1
1955	88.1	10.4	-3.8	94.7	73.1	1.6	11.2	8.8
1956	90.2	10.8	-.9	100.1	75.4	1.6	11.5	11.6
1957	88.4	10.8	.9	100.1	75.1	1.4	10.7	12.9
1958	91.2	11.1	-4.4	97.9	75.0	1.4	10.6	10.9
1959	91.2	12.9	-2.1	102.0	77.7	1.4	11.5	11.4
1960	95.6	12.3	-2.2	105.7	78.6	1.3	11.2	14.6
1961	94.4	13.0	.1	107.5	80.2	1.5	11.2	14.6
1962	95.8	14.0	-1.1	108.7	81.2	1.5	11.7	14.3
1963 7/	96.2	13.8	.5	110.5	82.5	1.5	11.6	14.9

1/ The term "net" in this table means that commodities used for feed and seed are excluded to avoid double counting. Developed from quantitative data on supply and use of processed and unprocessed farm products, valued in terms of farm prices (1947-49 prices prior to 1955; 1957-59 prices thereafter). For description of basic procedure see Agriculture Handbook No. 91, Measuring the Supply and Utilization of Farm Commodities. 2/ Excludes feed and seed used from domestic production. 3/ Excludes imports for seed and feed use. 4/ Includes farm and commercial stocks and holdings under Government programs. Negatives indicate increases in stocks from beginning to end of year; positives signify withdrawals from stocks. 5/ Includes civilian feeding in areas occupied by our Armed Forces. 6/ Excludes feed and seed; includes some waste and loss at farm level. 7/ Preliminary.

NATIONAL FOOD SITUATION

Approved by the Outlook and Situation Board, August 1, 1963

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SUMMARY

* Rising population and consumer incomes are providing the stimulus for a continuing rise in demand for food products during 1963. Gross National Product was up 5 percent in the first 6 months of 1963 compared with the first half of 1962, undergirding the rise in demand for food.

* Expenditures for food in the first 6 months of 1963 exceeded comparable expenditures in 1962 by about 3 percent. Sales of retail food stores were up by about the same percentage, but were about steady between the first and second quarters of 1963, seasonally adjusted.

* Retail food prices in the first half of this year exceeded year-earlier levels by about 1½ percent. Nearly stable prices, on the average, are anticipated for the remainder of the year. Meat prices are not expected to follow last year's strong upturn in the final quarter of the year. Prices of fruits and vegetables likely will decline seasonally from mid-year but remain above a year earlier.

* Total food use in 1963 likely will rise around 2 percent from 1962. A small increase in food consumption per capita is anticipated. Per capita consumption of beef in 1963 may be up 4 percent, chicken may be up even more. Declines, on a per capita basis, are looked for in fish, fruit, and eggs.

* Exports of U. S. food products continue large. The value of exports of all agricultural products in the first 5 months of 1963 exceeded year-earlier levels by 5 percent, despite the longshoremen's dock strike that reduced exports sharply in January. Imports of agricultural products were up 1 percent in value during the same period.

* The total value of agricultural exports in 1962 exceeded agricultural imports by over $1 billion. It compares with U. S. net exports of all commodities of $5 billion. Exports of food and feed products exceeded supplementary (partly competitive) imports by $2 billion in 1962. Complementary (noncompetitive) imports comprised nearly half of the total value of all food and feed imports; coffee alone made up over a third of the total.

DEMAND FOR FOOD

A generally rising level of business expenditures and consumer incomes in the first half of 1963 supported the continued strong demand for food. Retail food sales continued to exceed year-earlier levels during the first half of the year. Rising food consumption per capita, increasing population, and somewhat higher retail prices all contributed to increased food expenditures.

Food expenditures in 1962 totaled $73.6 billion, up 3.8 percent from 1961. For the first half of 1963 the increase was estimated at 3 percent above a year earlier. Export demand was stronger in the first half; exports of agricultural products were up 5 percent from a year earlier during the first 5 months of 1963.

Gross National Product in the first half of 1963 exceeded the same year-earlier period by 5 percent. Disposable personal income was up $4\frac{1}{2}$ percent. The rise in consumer buying during the first part of the year was partly financed by increased use of installment credit. Government purchases were up (8 percent), and inventories rose. Manufacturers' combined production of foods, beverages, and tobacco in the first half of 1963 exceeded a year earlier by 2.4 percent. Total industrial output averaged 4.3 percent above first half of 1962. Employment continued to increase, passing the 70 million mark in June. Seasonally adjusted unemployment was 5.8 percent of the civilian labor force in the first half of 1963.

A continued moderate rise in the Nation's economic activity is expected in the second half, even though most lead indicators of economic activity hesitated in recent months. Underlying support of the economy appears to be shifting toward savings and investment and away from Government and consumer spending. Consumer incomes are expected to rise further and population is increasing steadily at nearly $1\frac{1}{2}$ percent per year.

RETAIL PRICES OF FOOD

Average retail price of all food in the first half of 1963 increased about 1½ percent over the first half of 1962 (table 10). Average prices in the second quarter of 1963 were slightly below those in the first quarter. Prices of food purchased and eaten away from home continued their uninterrupted rise in the first half of the year, up about 2½ percent from the first 6 months of 1962. Retail prices of food eaten at home during April-June 1963 declined slightly from the first quarter, but were up a little more than 1 percent in the first half of the year from a year earlier. In contrast, the Consumer Price Index (all goods and services) in Jan.-June 1963 averaged 1.2 percent above the first half of 1962.

Compared with the first quarter, higher prices for foods from crops in April-June 1963 were more than offset by lower livestock product prices. Red meat prices were down nearly 5 percent, with prices of beef and pork each down by about the same proportion. Poultry meat prices were down nearly 3 percent and egg prices were down 12 percent. Average prices of dairy products and fish remained about unchanged. In contrast, fruit and vegetable prices increased 5 percent, and prices of sugar and sweets were up 7 percent.

Comparing the first half of 1963 with a year earlier, the price of food from livestock products remained about the same, but the price of food from crops increased over 2 percent. Increased prices of cereal and bakery products, sugar and sweets, and fruits and vegetables contributed to the rise. Partially offsetting was a decline of over 3 percent in prices of fats and oils. See figure 1 for comparison of first half rates with previous years.

Retail food prices in the last half of the year likely will not change much from the average of the first 6 months. For the year, average retail food prices are expected to continue a little above 1962. There likely will be further increases in prices of food eaten away from home and the same or slightly higher prices of food eaten at home.

Prices of red meats, and the average of all livestock products,may strengthen somewhat in the last half of the year, but are expected to remain at or below a year earlier. The unusually strong prices for meat that occurred in the last quarter of 1962 are not likely to be repeated. Heavy supplies of beef are expected to moderate prices. Pork prices are expected to rise from a 3-year low in the first 6 months, but remain below last fall's high level. Prices of eggs and dairy products likely will rise seasonally from mid-year, about in line with last year. But prices of chicken are expected to remain low and by winter may drop significantly below prices of last winter.

Prices of foods from crops in the last half of 1963 are not expected to change much from the first half, but may decline slightly from current levels. Prices of cereal and bakery products likely will continue upward, but prices of nonalcoholic beverages and fats and oils are expected to change little. Sugar prices are expected to average below the high level of the first half. Prices of fruits and vegetables are expected to decline seasonally from mid-year, but fruit prices in the last half 1963 may remain above prices in the last half of 1962.

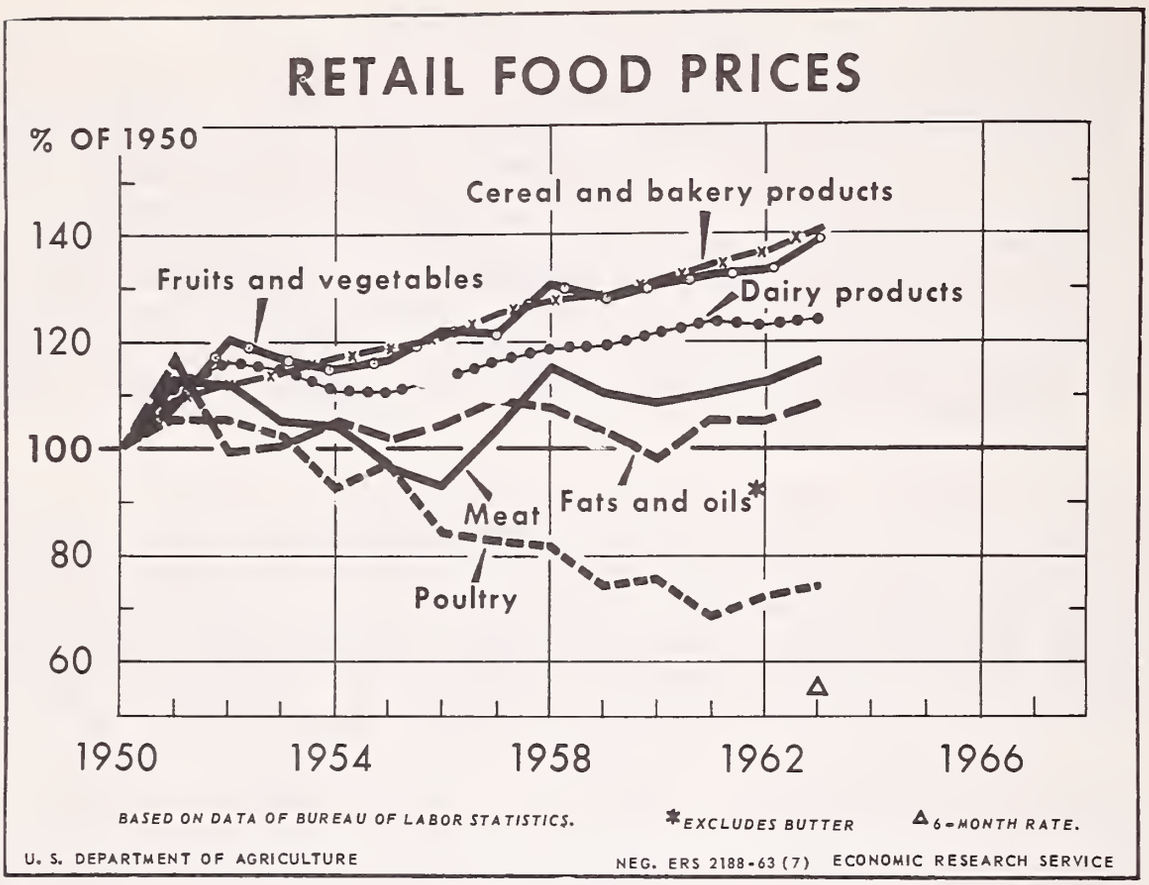

Figure 1

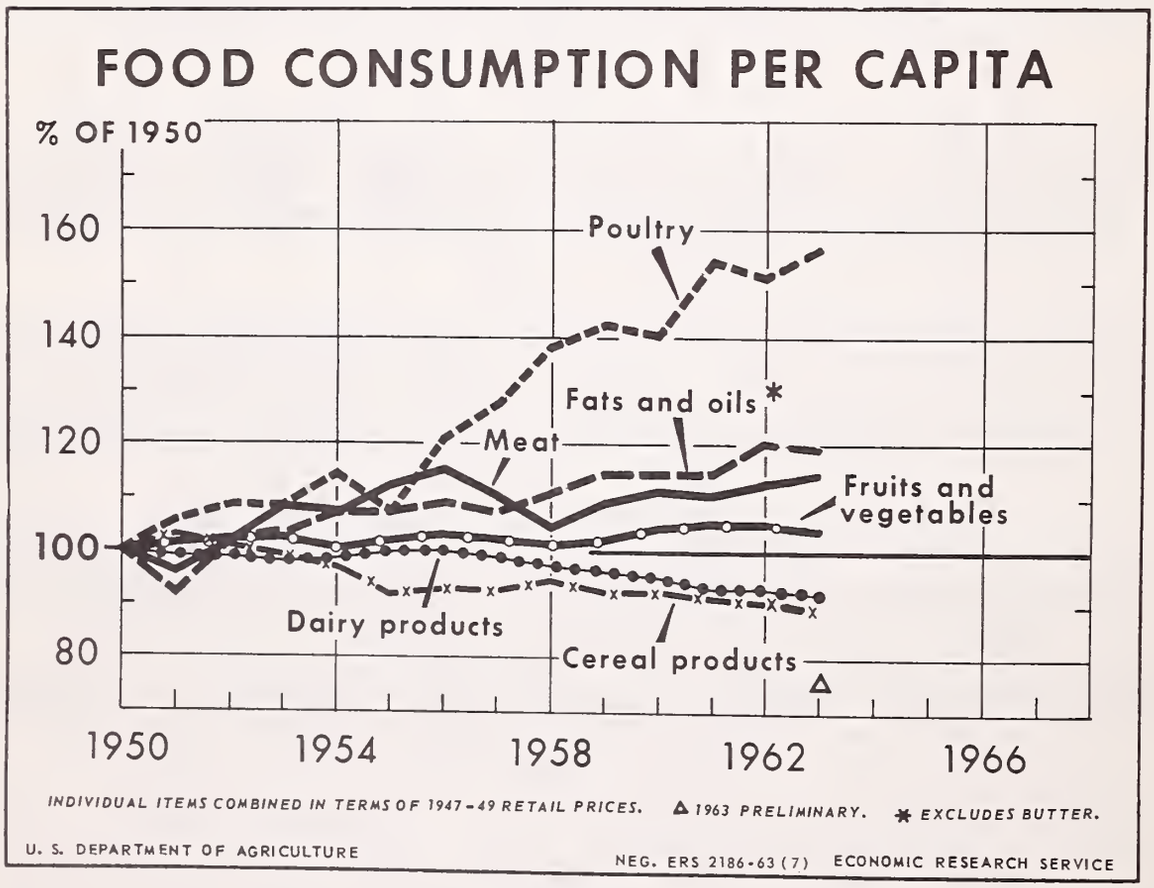

Figure 2

Table 3.--Food consumption per capita 1/

(Index, 1947-49=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy, excluding butter	Fats and oils, including butter	Fruits			Vegetables			Potatoes and sweetpotatoes	Beans, peas, nuts	Cereal products	Sugar and sirups	Coffee, tea and cocoa	All food
							Fresh	Processed	Total	Fresh	Processed 2/	Total 3/						
1910	99	76	107	78	69	104	106	21	79	93	24	72	184	79	131	59	58	87.6
1920	92	69	114	77	79	94	111	44	89	96	33	77	144	77	113	69	70	86.9
1930	87	79	98	85	82	117	104	51	87	102	51	87	122	91	115	93	73	90.7
1940	96	80	102	82	86	119	109	82	100	106	71	95	112	110	105	94	90	95.4
1941	97	86	108	80	88	120	113	77	102	103	75	95	118	108	106	102	93	97.3
1942	96	97	84	81	95	115	97	75	90	106	83	99	120	113	107	86	77	96.2
1943	100	120	75	88	95	101	87	65	80	109	74	98	121	103	119	84	73	97.4
1944	106	107	84	90	97	99	104	65	92	114	78	103	128	107	108	92	86	100.4
1945	100	118	94	102	103	94	103	82	96	117	94	110	114	109	114	76	89	101.4
1946	104	109	101	96	108	95	103	112	106	111	106	109	114	104	113	81	109	104.1
1947	105	99	96	99	103	100	105	96	102	103	99	102	112	97	101	103	97	102.2
1948	98	97	101	101	99	99	99	100	99	101	99	101	92	103	100	98	101	98.9
1949	97	104	102	100	98	101	96	104	99	96	101	97	96	100	99	100	103	98.9
1950	97	113	111	102	98	108	85	113	94	92	109	98	93	110	98	111	92	100.2
1951	93	119	106	104	98	98	88	112	95	90	113	97	93	100	101	103	94	98.3
1952	98	122	105	104	99	101	85	126	98	88	119	98	84	99	99	107	94	100.3
1953	105	122	103	101	98	101	84	130	98	85	123	97	88	96	97	106	96	101.4
1954	104	129	104	100	99	106	80	131	96	84	124	96	88	94	95	109	85	101.3
1955	109	121	97	99	100	106	77	141	97	83	130	98	88	91	90	109	86	102.1
1956	112	136	98	98	101	106	76	142	97	83	134	99	84	97	91	111	88	103.8
1957	107	144	97	96	99	104	75	145	97	81	135	98	86	94	90	109	89	102.2
1958	101	156	102	95	97	105	76	137	95	79	143	99	81	93	92	110	89	101.3
1959	106	161	102	94	97	107	78	141	98	78	147	100	83	98	90	110	90	103.3
1960	108	158	100	90	97	106	73	148	97	81	152	104	82	95	90	110	89	103.0
1961 4/	107	174	103	87	94	105	69	146	93	81	155	104	82	99	89	110	90	103.2
1962 4/	109	171	101	87	94	108	67	151	93	79	163	106	83	92	88	111	90	103.5
1963 5/	111	176	97	84	94	107	63	146	89	79	165	106	82	96	87	111	93	103.8

1/ Civilian consumption, starting 1941. Quantities of food items (using retail store weights) are combined in terms of 1947-49 retail prices. Ingredients of mixed foods are included in the primary groups given. Includes home-produced as well as commercial quantities. Revisions to incorporate Census of Agriculture changes and to reprice and rebase to the 1957-59 period are planned. 2/ Includes all soups and baby food. 3/ Excludes beans and peas, potatoes and sweetpotatoes. 4/ Preliminary. 5/ Preliminary indications.

CONSUMPTION OF FOOD

Use of all food in 1963 is expected to exceed that of 1962 by around 2 percent (table 2). Population will be up about 1½ percent, and per capita consumption is expected to increase somewhat, due primarily to larger meat consumption (table 3). Between 1947-49 and 1962, the per capita increase for

the entire period amounted to only 3½ percent. The uptrend was not strong but fairly steady. Numerous shifts among food products occurred. 1/

Consumption of red meat is expected to equal about 167 pounds per capita for 1963, up 2 percent from 1962 (table 4 and fig. 2). Supplies of total red meat in the first half of 1963 were well above a year earlier, and are expected to remain larger throughout the year.

Increased per capita consumption of beef in 1963 accounts for most of the increased consumption of total red meat; it is estimated to be up 4 percent in 1963 to 93 pounds. Pork consumption is expected to be 1 percent higher, but veal and lamb consumption may be down about a tenth.

Fish consumption per capita in the last half of the year is expected to increase, but for 1963 as a whole it may drop somewhat below 1962. Stocks of fresh and frozen fish on July 1 sharply exceeded a year earlier.

Broiler production in the last half of the year is expected to be higher than a year earlier. Even after allowing for the population increase, consumption for the year may rise 6 percent above 1962. The largest increase may occur in the final quarter of 1963. Lower turkey consumption is in prospect because the small increase in 1963 crop probably will not offset the smaller carryover from last year.

Considering that egg supplies in the first half of the year were below a year earlier and indicated production in the last half will be about the same as the year-earlier period, consumption per capita likely will be down by about 3 percent for the year.

For the year, per capita consumption of all dairy products likely will be nearly that of 1962. Ice cream, nonfat dry milk, and fluid low fat milk are major dairy products expected to be consumed in larger quantities in 1963 than in 1962, on a per capita basis. Total milk production in the first 6 months this year was below the like period last year, permitting a sizeable reduction in Government purchases.

1/ Consumption of various food products are aggregated on a retail price-weighted index basis to reflect economic importance of shifts among food products. An increase in consumption of 1 pound in a relatively high-priced food (meat for example) and a decrease of 1 pound in a relatively low-priced food (flour for example) would result in an increase in the index. The amount of increase would depend on relative prices of the foods substituted. Furthermore, an increase in consumption of livestock products relative to crops may reflect an increased amount of farm products used in generating a pound of food product.

Table 4.--Apparent civilian per capita consumption of major food commodities, primary distribution weight, calendar years, 1947-49 and 1957-59 averages, 1960-62 and preliminary estimates for 1963, with percentage comparisons 1/

Commodity	Average 1947-49	Average 1957-59	1960	1961	1962 Preliminary	Preliminary estimates for 1963	1963 as a percentage of 1947-49	1963 as a percentage of 1957-59	1963 as a percentage of 1962
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Percent	Percent	Percent
Meats (carcass weight) - Total	148.5	156.6	161.4	161.0	163.7	166.8	112	107	102
Beef	65.6	82.1	85.2	88.0	89.1	92.8	141	113	104
Veal	9.7	7.1	6.2	5.7	5.5	5.0	52	70	91
Lamb and mutton	4.8	4.4	4.8	5.1	5.2	4.7	98	107	90
Pork (excluding lard)	68.4	63.0	65.2	62.2	63.9	64.3	94	102	101
Fish (edible weight) - Total	10.5	10.5	10.3	10.7	10.5	10.1	96	96	96
Fresh and frozen	6.0	5.8	5.7	5.9	5.7	2/	---	---	---
Canned 3/	3.9	4.1	4.1	4.3	4.3	2/	---	---	---
Cured	.6	.6	.5	.5	.5	2/	---	---	---
Poultry products									
Eggs (farm basis) - Number	385	356	334	326	324	314	82	88	97
Chicken (ready-to-cook)	18.7	27.5	28.2	30.3	30.1	31.8	170	116	106
Turkey (ready-to-cook)	3.3	6.0	6.2	7.5	7.1	6.8	206	113	96
Dairy products									
Total milk fat solids	29.5	25.6	24.5	24.0	23.7	23.4	79	91	99
Total nonfat milk solids	42.9	44.1	43.9	43.2	43.1	42.2	98	96	98
Cheese	7.0	7.9	8.4	8.6	9.2	9.2	131	116	100
Condensed and evaporated milk	20.1	14.8	13.8	13.3	12.5	12.1	60	82	97
Fluid milk and cream	359	337	325	314	311	309	86	92	99
Ice cream (product weight)	18.7	18.4	18.3	18.0	17.9	18.0	96	98	101
Fats and oils - Total, fat content 4/	42.4	45.3	45.4	45.3	46.6	45.9	108	101	98
Butter, farm and factory (actual weight)	10.6	8.2	7.5	7.4	7.2	7.1	67	87	99
Margarine (actual weight)	5.6	8.9	9.4	9.5	9.3	9.5	170	107	102
Lard	12.4	9.3	7.7	7.7	7.2	7.0	56	75	97
Shortening	9.6	11.4	12.6	12.8	13.5	13.2	138	116	98
Other edible fats and oils	7.3	10.8	11.5	11.2	12.7	12.4	170	115	98
Cooking and salad oils 5/	2/	2/	10.5	10.5	12.7	12.4	---	---	98
Other edible	2/	2/	1.0	.7	---	---	---	---	---
Fruits									
Fresh (farm weight) - Total	132.1	98.8	97.5	92.0	88.7	82.2	62	83	93
Citrus	54.8	33.5	33.3	30.4	28.8	22.2	41	66	77
Apples (commercial)	25.5	21.6	20.1	18.6	19.5	19.7	77	91	101
Other (excluding melons)	51.8	43.7	44.1	43.0	40.4	40.3	78	92	100
Processed:									
Canned fruit	18.9	22.5	22.9	23.5	23.3	23.3	123	104	100
Canned juice	15.9	13.8	13.9	13.1	12.8	12.8	81	93	100
Frozen (including juices)	3.2	8.6	9.1	8.9	9.7	9.0	281	105	93
Dried	3.9	3.3	3.1	3.1	3.1	3.3	85	100	106
Vegetables									
Fresh vegetables and melons (farm weight) 6/	147.9	129.4	131.7	129.9	126.2	126.6	86	98	100
Fresh vegetables	120.5	104.3	106.0	105.1	102.9	103.5	86	99	101
Melons	27.4	25.1	25.7	24.8	23.3	23.1	84	92	99
Canned	39.1	44.5	44.5	44.7	46.0	46.0	118	103	100
Frozen	2.9	8.2	9.8	10.0	11.6	12.0	414	146	103
Potatoes (farm weight) 7/	114	103	102	103	102	103	90	100	101
Sweetpotatoes (farm weight) 7/	12.6	7.2	6.3	5.6	6.3	6.0	48	83	95
Dry edible beans	6.7	7.7	7.3	8.0	7.7	7.8	116	101	101
Sugar, refined	95.2	96.1	97.6	97.8	97.2	97.7	103	102	101
Grains									
Corn products: Cornmeal	12.9	7.7	7.4	7.2	7.0	6.8	53	88	97
Corn sirup	9.9	9.4	10.2	10.6	11.5	12.0	121	128	104
Cornstarch	1.8	1.9	1.8	1.8	1.8	1.8	100	95	100
Corn sugar	4.2	3.6	3.7	3.7	3.9	4.1	98	114	105
Breakfast cereals	1.5	1.8	1.8	1.8	1.8	1.8	120	100	100
Hominy	2.8	2.9	3.0	3.0	3.0	3.0	107	103	100
Oat food products	3.3	3.5	3.5	3.5	3.5	3.5	106	100	100
Barley food products 8/	1.6	1.0	1.0	1.0	1.0	1.0	62	100	100
Wheat:									
Flour 9/	137	120	118	118	115	114	83	95	99
Breakfast cereals	3.2	2.8	2.7	2.7	2.6	2.6	81	93	100
Rye flour	1.4	1.2	1.2	1.1	1.1	1.1	79	92	100
Rice, milled	4.9	5.6	5.9	5.9	6.2	6.2	127	111	100
Beverages									
Coffee 10/	18.2	15.8	15.8	15.9	15.8	16.2	89	103	103
Tea	.58	.60	.6c	.60	.68	.68	117	113	100
Cocoa beans	4.1	4.0	4.1	4.4	4.1	4.3	105	108	105
Peanuts (shelled)	4.4	4.6	4.9	4.9	5.0	----	---	---	---

1/ Quantity in pounds except for eggs which are stated in number. Data on calendar year basis except for dried fruits, which are on pack year basis; fresh citrus fruits, dry field peas, and peanuts on a crop year basis and rice on August 1 year. All years begin in the year indicated except for fresh citrus, which begins in October of the previous year, and rice, which begins in August of previous year. Data for Alaska and Hawaii are not incorporated. 2/ Not available. 3/ Excludes canned food products containing small quantities of fish, such as clam chowder, etc. 4/ Computed from unrounded data. 5/ Fully processed liquid vegetable oils. Including use in mayonnaise and salad dressings, potato products, bakery products, and in fish canning, etc. 6/ This series covers total commercial production for sale as fresh, both for shipment to distant markets and for local markets. Excludes farm garden output for farm household use. 7/ Quantities canned and frozen excluded; included with processed vegetables. 8/ Barley used for food products in terms of malt equivalent. 9/ Includes white, whole wheat, and semolina flour. 10/ Green bean basis.

Population estimates used to obtain per capita consumption figures are official Census estimates of civilian population for 48 States.

Total consumption of all food fats and oils in 1963 likely will reach a record high. But, on a per capita basis little change is expected from the nearly 47 pounds consumed in calendar year 1962.

Fruit consumption in 1963 is expected to be down substantially from 1962. Citrus fruit consumption per capita likely will be down by more than a fifth, largely because of reduced production in Florida. Citrus prospects for the last half are more favorable than a year ago in California and Arizona. Prospective supplies of fresh deciduous fruits for late summer and fall are only moderately smaller than a year earlier. Imports of bananas for the year are expected to approach those of last year. For the year, consumption per capita of canned fruit and fruit juices is expected to be about the same as 1962; frozen fruit and fruit juice consumption likely will be down, reflecting the reduced citrus crop; but dried fruit consumption probably will be up.

Summer supplies of fresh vegetables, cantaloups, and watermelons will be seasonally large but somewhat below those of last summer. Per capita consumption of fresh vegetables for 1963 is expected to be about the same as last year. Frozen vegetable consumption likely will be up, but canned vegetable consumption is expected to be about the same as in 1962. Potato supplies in August-September likely will be a little smaller than a year earlier; for 1963, per capita consumption likely will be about the same. Sweetpotato consumption will be down substantially.

Per capita consumption of cereal grain products in 1963 is expected to continue about unchanged from 1962. A small increase is expected in corn sugar consumption and a small decline in cornmeal. In the food grains, per capita consumption of flour is expected to decline by about a pound in 1963 from 115 pounds consumed in 1962.

The distribution of sugar in the first 5 months of 1963 was up sharply compared with the first 5 months of 1962. Consumption per capita of sugar has remained quite constant over the years. This year is not expected to be an exception.

FOOD EXPENDITURES

Total Expenditures

The cover chart shows a gradual decline in food expenditures as a proportion of disposable personal income. The decline through the 1950's and early 1960's has been at a quite uniform rate. Nearly 23.5 percent of disposable income was spent for food in 1951 but only 19.1 percent in 1962 (table 5). Part of the drop was due to declining farm prices in the past decade. In addition, as incomes rise, people spend more money for food, but their food expenditures typically increase more slowly than their incomes.

In 1962, for example, disposable income rose 5.5 percent over 1961, but food expenditures rose only 3.8 percent. Income in 1961 was up 4.1 percent over 1960; food expenditures rose only 1.8 percent.

With continuation of the postwar downtrend, food expenditures likely will average a little less than 19 percent of disposable income in 1963. This rate would mean increased total food expenditures for the year somewhere around 3 percent, based on current income estimates.

U. S. Farm Foods

Total civilian expenditures for foods originating on U.S. farms also shows a historical decline when measured as a percentage of disposable income (cover chart). But the rate of decline has been a bit more variable. This expenditure series, computed by Economic Research Service, omits imported foods, fish and other seafoods, home-produced food, and food furnished by the Government to the Armed Forces. However, the series includes certain items not in the Department of Commerce "expenditures for food" series. The ERS series includes estimates of the value of all domestic farm food bought by civilian consumers at prices actually paid. 1/

Civilian expenditures for U. S. farm foods cover the farm value and total marketing bill. The marketing bill includes charges for processing as well as distributing food products. The cover chart shows that the marketing bill has remained quite stable in recent years as a percentage of disposable income. Apparently, prices and quantity used of these marketing services increased at nearly the same rate as consumer incomes after taxes.

As a share of disposable income, the farm value of food has been depressed by the declining expenditures for food and the constant cost of marketing. Farm value declined from 8.8 percent of disposable income in 1951 to 5.6 percent in 1962. However, between 1961 and 1962 the rate of decline in farm value (as a percent of disposable income) was less than the decline in the marketing bill.

Retail Store Sales

Retail sales of all food stores in 1962 totaled $57.6 billion, up 4 percent from 1961. Grocery store sales made up $52.1 billion of the total. Other types of food stores (delicatessen, meat markets, etc.) accounted for the remaining $5.5 billion.

1/ "Expenditures for food" is taken from the Department of Commerce national income accounts where it is labeled "personal consumption expenditures for food, less alcoholic beverages." To avoid duplication in the income accounts, the Commerce series omits the following expenditures for food: (1) Meals served patients in hospitals and persons living in institutions, (2) food distributed free by Government agencies, (3) meals served by airlines, camps, and other agencies when separate charges are not made for food, and (4) meals charged as business expenses.

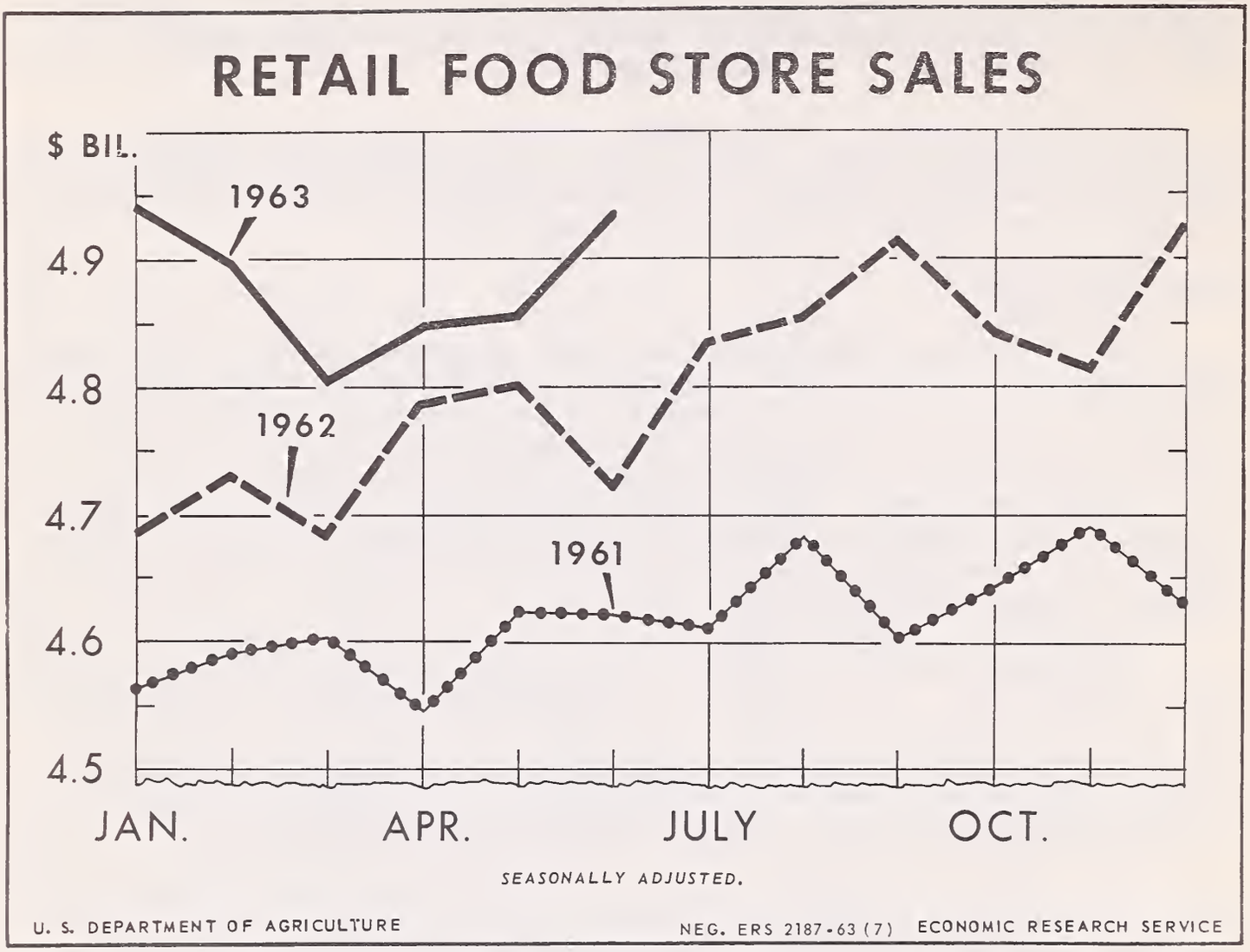

Figure 3

Retail food store sales in the first half of 1963 did not maintain the steady upward trend of 1961 and 1962 (fig. 3). Sales in the second quarter were equal to those in the first quarter on a seasonally adjusted basis. Nevertheless, retail food store sales in the first half of 1963 exceeded a year earlier by 3 percent, seasonally adjusted. This increase was less in the second quarter (2 percent) than in the first quarter (4 percent).

Total sales by restaurants and eating places amounted to $12.0 billion in 1962, up 6 percent from 1961. Sales by all eating and drinking places amounted to $17.3 billion in 1962, up 5 percent from 1961. Sales in the first half of 1963 were up 5 percent from a year earlier, but the rise slowed in recent months.

Sales of food by retail food stores and eating places comprise a large part of total expenditures for food. For this reason, their sales trends often are watched for indications of total food expenditures. However, not all of the sales of food stores and restaurants are for food. In recent years an increasing proportion of their sales has consisted of

Table 5.--Food expenditures as proportion of disposable income

Year	Expenditures for food 1/	Civilian expenditures for U. S. farm foods 2/		
		Total	Farm value	Total marketing bill
	Percent	Percent	Percent	Percent
1950	22.8	20.0	8.5	11.5
1951	23.5	20.4	8.8	11.6
1952	23.4	20.2	8.3	11.9
1953	22.4	19.1	7.6	11.5
1954	22.4	18.8	7.1	11.7
1955	21.6	18.3	6.7	11.6
1956	21.3	17.9	6.4	11.5
1957	21.1	17.7	6.3	11.4
1958	21.2	18.1	6.5	11.6
1959	20.2	17.5	5.9	11.6
1960	19.9	17.5	5.9	11.6
1961	19.5	17.2	5.7	11.5
1962	19.1	16.7	5.6	11.1

1/ Department of Commerce, personal consumption expenditures for food, less alcoholic beverages.

2/ Computed by Economic Research Service. Omits imported foods, fish and other seafoods, home-produced food, and food furnished the Armed Forces.

nonfood items. Trade sources estimated nonfood sales by grocery stores at 17 percent of total sales in 1961, up from 11 percent in 1954. So, projections of total expenditures based on retail sales must be discounted.

Data on retail food store sales now are available monthly on a regional basis for the 4 major regions in the United States. 2/ In May, the Northeastern and North Central States each accounted for 28 percent of the U. S. total. The South added another 26 percent; the West made up the remaining 18 percent. The average of April and May food store sales rose at a faster rate in the South, compared with the year-earlier period, than in any other region. The rise in the South was 7 percent compared with only 3 percent in the North Central States, 4 percent in the West, 5 percent in the Northeast, and 5 percent overall (not adjusted for seasonal and trading day variations).

2/ Supplement to Monthly Retail Trade, current retail trade reports, U. S. Department of Commerce (first report April 1963).

FOREIGN TRADE

Exports Exceed Imports

Exports of major food and feed products totaled $3.6 billion in 1962, in contrast to imports of $2.7 billion (table 6). The value of these exports in 1962 was up 11 percent from 1961, but imports were up only 6 percent. But, nonfood agricultural exports declined between 1961 and 1962, by 26 percent, while imports were up 1 percent. As a result, the excess of exports over imports of all agricultural products in 1962 declined 13 percent from 1961.

Exports of food and feed products in 1962 totaled 3.6 billion, around $2.0 billion above supplementary (partially competitive) imports of food and feed. Major exports included wheat grain, corn, oilseeds, and other feeds and feed grains. They made up nearly 2/3 of the value of all food and feed exports in 1962.

Nearly half of the value of food and feed imports in 1962 was made up of complementary imports (noncompetitive with U. S. production.) Coffee was by far the largest imported food product, making up more than a third of the total value of all food and feed imports in 1962. Sugar was next in value, followed by beef and veal, and cocoa or cacao beans. The total value of imported complementary food products has been declining in recent years because heavy production and stocks depressed prices of several tropical products, principally coffee. The average monthly import price of green coffee in 1962 declined 6 percent from 1961 and was down 29 percent from the 1957-59 average.

Wheat grain showed a 16 percent decline in export value between 1961 and 1962. It was offset to some extent by an increase of 9 percent in export of wheat flour. Other increases in value of exports included: Rice, up 44 percent; corn, up 45 percent; oilcake and meal, up 91 percent; other feeds and feed grains, up 65 percent; oilseeds, up 17 percent; vegetable oils, up 34 percent; and canned fruit and juices, up 13 percent. Food for relief or charity rose 24 percent. Cotton and linters (down 39 percent) and inedible tallow (down 19 percent) accounted for most of the decline in value of nonfood exports.

The largest increases in value of imports between 1961 and 1962 were in beef and veal, up 41 percent, and live animals other than poultry, up 16 percent. Boneless beef for processing constituted a large share of the increase in beef imports, reflecting the light domestic slaughter of low-quality beef. The value of sugar imports rose 11 percent, due partly to price increases. Among nonfood imports, wool increased the most, up 6 percent.

U. S. agricultural exports to the European Economic Community (EEC) declined 7 percent in August 1962--March 1963 compared with a year earlier, following the imposition of the Common Agricultural Policy system of variable levies on July 30, 1962. The variable-levy commodities declined 17 percent

Table 6.--U. S. agricultural exports and imports, value in 1962 1/

Commodity	Exports	Percent of total food and feed	Imports	Percent of total food and feed	Net exports (imports)
	1,000 dollars	Percent	1,000 dollars	Percent	1,000 dollars
FOOD AND FEED					
Supplementary					
Animals, live, except poultry	14,162	2/	121,838	4	(107,676)
Lard	40,635	1	3/	2/	40,635
Beef and veal, fresh or frozen	6,754	2/	272,718	10	(265,964)
Beef, canned, including corned	815	2/	28,501	1	(27,686)
Pork, canned	946	2/	95,356	4	(94,410)
Other meats, except poultry	53,173	1	68,596	3	(15,423)
Poultry, eggs and egg products	96,285	3	1,503	2/	94,782
Butter	2,000	2/	368	2/	1,632
Cheese	3,410	2/	36,345	1	(32,935)
Milk, condensed and evaporated	21,304	1	10	2/	21,294
Milk, dry, whole and nonfat	38,702	1	135	2/	38,567
Wheat, grain	933,364	26	4/1,528	2/	931,836
Wheat flour	125,109	3	154	2/	124,955
Rice	153,283	4	1,185	2/	152,098
Corn grain	526,824	15	2,510	2/	524,314
Oilcake and oilcake meal	90,996	3	3,961	2/	87,035
Other feed grains, feeds	5/308,498	9	6/26,511	1	281,987
Oilseeds	428,354	12	53,191	2	375,163
Vegetable oils	204,527	6	97,770	4	106,757
Citrus fruits	57,710	2	1,474	2/	56,236
Deciduous fruits, fresh	27,111	1	6,918	2/	20,193
Dried fruits	47,097	1	4,677	2/	42,420
Canned fruits and juices	120,924	3	27,132	1	93,792
Other fruits and preparations	32,694	1	48,268	2	(15,574)
Sugar	528	2/	509,344	19	(508,816)
Food for relief or charity	198,627	6	0	0	198,627
Total supplementary	3,533,832	99	1,409,993	52	2,123,839
Complementary					
Bananas	0	0	77,432	3	(77,432)
Cocoa or cacao beans	93	2/	131,407	5	(131,314)
Coffee	29,220	1	989,591	37	(960,371)
Tea	855	2/	60,336	2	(59,481)
Spices	2,041	2/	35,073	1	(33,032)
Total complementary	32,209	1	1,293,839	48	(1,261,630)
Total food and feed	3,566,041	100	2,703,832	100	862,209
Nonfood 7/	1,096,835		658,161		438,674
Other agricultural 8/	368,527		513,544		(145,017)
Total agricultural	5,031,403		3,875,537		1,155,866
Total nonagricultural	16,254,081		12,366,699		3,887,382
Total all commodities	21,285,484		16,242,236		5,043,248

1/ Preliminary. Exports are valued FOB U. S. port; imports generally are valued FOB foreign port. 2/ Less than 0.5 percent. 3/ Less than $500. 4/ Excludes wheat unfit for human consumption. 5/ Includes barley, sorghums, oats, and other feeds and fodders. 6/ Includes barley, oats, wheat unfit for human consumption, and other feeds and fodders. 7/ Includes inedible tallow, hides and skins, wool, cotton and linters, tobacco, silk, and crude rubber. 8/ Includes both food and nonfood, supplementary and complementary.

compared with a 1-percent drop in other exports to EEC. The value of wheat exports to EEC was down 65 percent in this period, resulting mainly from record wheat production in the EEC area. Poultry and egg exports to EEC declined 45 percent in the 8-month period compared with a year earlier. The decline was attributed largely to the variable levy on exports to West Germany, the leading EEC market for U. S. poultry meat. The value of exports of feed grain to EEC increased 18 percent, despite the variable levy.

Despite the longshoremen's dock strike that sharply reduced exports in January 1963 and the EEC variable levy, the value of all agricultural exports in January-May 1963 exceeded that of a year earlier by 5 percent. The value of imports in January-May 1963 was only 1 percent above a year earlier. Supplementary imports were up 5 percent, but complementary imports were down 3 percent.

In the first 5 months of 1963, red meat imports exceeded year earlier by 20 percent; they totaled 434 million pounds. The increase in boneless beef and veal made up over half of the increase over the year-earlier period. Boneless beef and veal accounted for 62 percent of total red meat imports in January-May 1963. For all of 1963, expectations are for imports of all agricultural products to total about the same as in 1962. Exports may be about the same or up somewhat. (Table 6).

BRIEF TOPICS

International Coffee Agreement

The first meeting of the Council for the new long-term international coffee agreement got underway in London on July 29. This followed ratification by the U. S. Senate and intentions to do so by Sweden. As a result, over 4/5 of the world's coffee importing and exporting countries had assented to the agreement as required before it could become operative. The agreement was developed by a United Nations Negotiating Conference in New York in July-August 1962. It will become effective at the beginning of the 1963-64 marketing year, which starts in October, and is to remain in effect until September 1967.

The agreement is basically an export quota arrangement. Export quotas were negotiated at the Conference last summer. Provisions were made for adjusting future quotas in line with changing market conditions. Importing countries agreed to restrict purchases from nonmember exporting countries as a group to an average of the previous 3 years, provided less than 95 percent of the world's exports are covered by exporting member countries. Importing countries are to assist in implementing export quotas by requiring a certificate of orgin with each import from a member country.

No minimum or maximum price levels are stipulated by the agreement, although it does contain a number of provisions to prevent excessive price changes. The immediate price objective is to stabilize world prices at close to 1962 levels. Burdensome supplies and declining prices have characterized the world coffee situation in recent years. The 1962-63 carryover stocks, i.e. September 30, 1963, will amount to about $1\frac{1}{4}$ years world consumption.

July 1 Crop Report

Crop acreage indicated for harvest on July 1 exceeded 1962 harvest by about 2 percent for 16 food and feed crops (table 7). Acreages of corn, sorghums, sugar cane, and sugar beets are up substantially. Crop prospects on July 1 were somewhat less favorable than a year earlier because of adverse weather conditions in certain parts of the country. Total crop production this year may not differ much from last year, according to July indications. Feed grain production likely will be up more than food grains.

Summer production of fresh market vegetables is expected to be 5 percent smaller than last year. A similar reduction is expected in summer melon production. Acreage of 9 vegetable crops for commercial processing is down 8 percent from 1962. Total potato acreage about equals last year, but summer production may be down somewhat.

Deciduous fruit production is expected to be down 4 percent from last year, but citrus fruit may be down 25 percent. Total tonnage of almonds, filberts, and walnuts is expected to be down 13 percent.

WORLD FOOD CONGRESS

For 2 weeks in June over 1,300 delegates from 104 countries participated in the World Food Congress held in Washington, D.C. The meeting was called by the Food and Agriculture Organization of the United Nations (FAO). The purposes of the Congress were to (1) focus worldwide attention on the problems of hunger and malnutrition that affect over half of the world's population, (2) evaluate the efforts made during the past 20 years to combat world hunger, and (3) propose recommendations for organizing the global attack on hunger embodied in the international freedom-from-hunger campaign launched by the FAO in 1960. The meeting coincided with the twentieth anniversary of the founding of the FAO in Hot Springs, Va.

President of the United States

President Kennedy in welcoming the Congress said there is no battle on earth or in space more important than that undertaken by this Congress. The real goal, stated the President, is to produce more food in the nations that need it. He pointed out that our stored abundance would last less than a month in providing a balanced diet if distributed evenly over the

Table 7 .--Crop acreage for harvest, United States 1/

Crop	Harvested acreage in 1962	For harvest in 1963	
		Acreage	Change from 1962
	Thousands	Thousands	Percent
Corn, grain	56,842	60,880	+7
Wheat, all	43,576	44,501	+2
Winter	33,513	33,816	+1
All spring	10,063	10,685	+6
Durum	2,418	1,991	-18
Other spring	7,645	8,694	+14
Oats	22,934	21,939	-4
Barley	12,443	11,758	-6
Rye	2,014	1,576	-22
Rice	1,765	1,765	0
Sorghums	14,725	16,265	+10
Hay, all	67,332	66,663	-1
Beans, dry edible	1,490	1,463	-2
Peas, dry field	338	344	+2
Soybeans 2/	28,703	29,939	+4
Peanuts 2/	1,531	1,518	-1
Potatoes:			
Winter	22	20	+7
Early spring	24	28	+16
Late spring	109	113	+4
Early summer	88	87	-1
Late summer	156	155	-1
Fall	978	973	0
Total potatoes	1,376	1,377	0
Sweetpotatoes	224	211	-6
Sugarcane	400	477	+19
Sugar beets	1,104	1,235	+12
Total 16 crops	256,797	261,911	+2

1/ Does not include Alaska and Hawaii.
2/ Grown alone for all purposes.

Compiled from Crop Production, July 10, 1963. USDA Statistical Reporting Service.

world. He added that through our Food For Peace Program, the people of the United States have contributed more than $12 billion of food and fiber in the last 10 years. About 100 million people in 100 countries now benefit from the program.

The President suggested 5 basic guidelines for the Congress: (1) The persistence of hunger during this decade is unacceptable either morally or socially; (2) we must recognize that food deficit nations can solve their problem with assistance from others; (3) international cooperation, organization, and action are indispensable; (4) no single technique of politics, finance, or education can eliminate hunger; and (5) world opinion must be concentrated on the international effort to eliminate hunger -- a primary task of this generation.

President of India

The President of India appealed to the world to help developing countries increase their food production. He stressed the desperation of the millions that suffer from want, privation, and hunger. He presented the case for a redistribution of food in the world: "In other words, the painful reality of the starving millions of the World must rouse the conscience of those who are placed in better conditions.....'Love thy neighbor.' Who is your neighbor? Whoever is in need, wherever he may be, in whatever part of the world he may find himself, he is your neighbor and he has a claim on your abundance."

U. S. Secretary of Agriculture

Secretary Freeman emphasized that the challenge is to use all abundance to create abundance for all people. He pointed out that there is a common concern to achieve freedom from hunger. This is expressed by the meeting of the Congress. Science and technology have progressed so far that the day is envisioned when no one on earth need suffer for want of material necessities, according to the Secretary. For example, he pointed out that crop production in the United States easily could be increased by 25 percent by 1967. He mentioned a study that projects the potential for food production at almost double the expected demand in the year 2000 in 30 of the developed countries of the world.

Three major obstacles were discussed by the Secretary: (1) Misunderstanding of the role of agriculture in economic growth has led many developing countries to intensify hunger by allocating limited resources to industrial growth at the expense of agriculture; (2) failure to develop needed institutions for improving education, marketing, farm credit, land tenure, and other requisites for producing and marketing food; and (3) failure to make full use of existing abundance despite Food for Peace and technical assistance programs.

Arnold J. Toynbee

Mr. Toynbee, world renowned historian, was not as optimistic as the U. S. Secretary of Agriculture. He expounded the Malthusian thesis that population increases faster than the total food supply. Toynbee pointed out that our reduced death rate is increasing our population despite 2 world wars. He said world food requirements will have tripled by the year 2000. He does not expect food production to equal requirements at that time.

With disease coming under control and some prospects for control of war, famine looms as a possibility unless measures are taken to prevent it, according to Toynbee. He cited 2 ways to combat it, both based upon education: (1) Political education to the necessity of administering the world as a single unit for producing and distributing food; and (2) education to persuade families to reduce the birth rate to match the reduction of the death rate. Toynbee sees an increasing role for the FAO in food production and distribution. He recognizes that political unity is difficult to achieve, but easier than reducing the birth rate.

K. Gunnar Myrdal

Dr. Myrdal, Professor of Economics, Stockholm University, emphasized the importance of a rapid rise in agricultural productivity in underdeveloped countries. Industrialization is necessary but must not precede increased food production, although industrialization is easier and disturbs fewer vested interests.

Professor Myrdal stressed the need for all "have" countries to assist the "have-nots." He pointed to the importance of separating aid from normal business; much activity called "aid" was really business. He stressed the value of channeling aid through international agencies. Resulting imports would liberalize world trade, aid would more likely go to needy countries, and less assistance would be given with ulterior motives. It would overcome what Professor Myrdal called "perverted Puritanism." He said Americans want to pretend selfish motives, based on winning the cold war, even when they act on humanitarian impulses.

FOOD CONSUMPTION UNDER THE FOOD STAMP PROGRAM 1/ 2/

A detailed evaluation of the household food consumption data obtained in research on the Food Stamp Program showed many changes in the use of individual food items by families that participated in the Food Stamp Program. Important considerations used in evaluating and explaining the changes included: Participation in the Food Stamp Program, participation in the Direct Distribution Program that was discontinued in the pilot food stamp areas, and use of seasonally available foods.

Survey Areas

The evaluation was based on data from food consumption surveys of food-stamp and other low-income households during April-May and September-October in 1961 in Detroit, Mich., and rural portions of Fayette County, Pa. In April-May the Direct Distribution Program provided federally donated commodities to needy families in these areas. In September-October the Food Stamp Program had replaced this program. Under the Food Stamp Program, eligible families exchanged cash for higher-value coupons, which enabled them to buy more food in retail stores. Most food stamp families in each area participated in the earlier program.

Three groups of households were used by the author for his evaluation of food consumption changes under the Food Stamp Program. These were (1) households in the Food Stamp Program during September-October; (2) households in the Direct Distribution Program during April-May, but not in the Food Stamp Program later; and (3) households with incomes too high to qualify for either program. The second group was used to measure the impact on families when they no longer were receiving federal food assistance. In this article, this group is designated "former direct distribution households." The third group was used for determining seasonal consumption patterns.

Results

Among both urban and rural households, participation in the Food Stamp Program increased the value of food consumed. 3/ The largest increase occurred among Detroit families.

Participants in the Food Stamp Program used a larger share of their food budget for meat than in the preprogram period (table 8). Among Detroit food stamp families, the increase in per capita value of meat occurred mainly among pork, beef, and luncheon meats. Luncheon meats and beef accounted for most of

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1/ By Thomas M. Brooks, Iowa State University and formerly with Public Programs Section, MED, ERS.

2/ This article highlights the findings of a survey made in Detroit, Mich. and rural Fayette County, Pa., by Economic Research Service and Agricultural Research Service of the U. S. Department of Agriculture in evaluating the effect of the Food Stamp Program on the demand for food and the nutritional intake of recipients.

3/ In this report value of foods consumed equals quantity consumed times price paid or imputed price of foods received free, such as through the Direct Distribution Program, or home produced.

Table 8.--Households participating in the Food Stamp Program in fall 1961 in Detroit, Michigan and Rural Fayette County, Pennsylvania: Per capita food consumption and percent of households using various foods, one week, spring and fall, 1961 1/

Food item	Detroit, Michigan						Rural Fayette County, Pennsylvania					
	Households using		Per capita consumption: Quantity		Per capita consumption: Retail value		Households using		Per capita consumption: Quantity		Per capita consumption: Retail value	
	Spring	Fall	Spring	Fall	Spring	Fall	Spring	Fall	Spring	Fall	Spring	Fall
	Pct.	Pct.	Lb.	Lb.	Dol.	Dol.	Pct.	Pct.	Lb.	Lb.	Dol.	Dol.
Meats, total	100.0	100.0	2.75	3.78	1.26	1.86	98.6	100.0	2.51	2.52	1.21	1.31
Beef	79.3	87.4	.60	.89	.29	.48	81.4	95.8	.74	.87	.30	.38
Pork	97.7	96.6	1.39	1.77	.63	.88	95.7	88.7	1.25	.92	.70	.55
Veal	10.3	6.9	.04	.04	.03	.02	1.4	1.4	2/	2/	2/	2/
Lamb	6.9	5.7	.04	.04	.02	.01	1.4	1.4	2/	2/	2/	2/
Variety meats	39.1	42.5	.20	.25	.07	.09	11.4	12.7	.05	.06	.01	.02
Luncheon meats	78.2	90.8	.49	.80	.22	.37	72.9	83.1	.45	.67	.18	.35
Poultry	88.5	94.3	1.01	1.35	.30	.40	48.6	60.6	.37	.61	.12	.18
Fish	62.1	73.6	.36	.47	.14	.24	52.9	47.9	.26	.18	.10	.08
Dairy products 3/	100.0	100.0	4/7.37	4/7.44	.56	.80	98.6	100.0	4/9.95	4/8.22	.72	.88
Eggs	98.9	97.7	5/.75	5/.60	.25	.21	91.4	94.4	5/.95	5/.66	.32	.23
Fats and oils 6/	100.0	100.0	.86	1.03	.26	.27	100.0	98.6	1.16	1.18	.36	.28
Flour and cereal	100.0	98.9	2.52	2.51	.40	.41	100.0	97.2	3.55	2.72	.45	.43
Sugar and sweets	98.9	98.9	1.14	1.23	.18	.22	100.0	100.0	1.46	1.60	.27	.28
Bakery products	96.6	100.0	1.57	2.03	.30	.45	94.3	93.0	1.60	2.12	.35	.50
Potatoes and sweetpotatoes	93.1	95.4	1.88	1.97	.12	.14	94.3	98.6	3.19	2.64	.13	.12
Vegetables (excluding juices), total	7/	7/	2.84	5.26	.46	.61	7/	7/	3.62	6.25	.55	.64
Fresh	96.6	97.7	1.81	4.06	.26	.38	91.4	97.2	1.81	4.90	.24	.40
Canned 8/	77.0	71.3	.64	.78	.12	.13	84.3	78.9	1.33	1.04	.22	.17
Dried	66.7	59.8	.34	.32	.06	.06	71.4	50.7	.47	.29	.09	.06
Frozen	13.8	24.1	.05	.10	.02	.04	5.7	7.0	.01	.02	2/	.01
Fruit (excluding juices), total	7/	7/	1.76	2.95	.18	.33	7/	7/	1.65	2.62	.22	.32
Fresh	75.9	85.1	1.56	2.62	.14	.25	82.9	80.3	1.34	2.39	.15	.26
Canned 8/	35.6	43.7	.19	.31	.04	.07	38.6	28.2	.27	.21	.06	.05
Dried	8.0	12.6	.01	.02	2/	.01	11.4	8.5	.04	.02	.01	.01
Frozen	.0	.0	.00	.00	.00	.00	.0	.0	.00	.00	.00	.00
Fruit and vegetable juices	26.4	50.6	.31	.54	.03	.06	28.6	35.2	.31	.42	.03	.05
Beverages	96.6	98.9	.62	.88	.16	.21	100.0	100.0	.74	.84	.29	.32
Miscellaneous, total 9/	95.4	95.4	.87	1.14	.30	.37	97.1	98.6	1.27	1.44	.37	.37
Soups	34.5	32.2	.15	.14	.04	.03	51.4	46.5	.33	.29	.08	.07
Peanut butter	64.4	49.4	.17	.12	.09	.05	40.0	49.3	.07	.11	.03	.04
Puddings, pie fillings, etc.	28.7	24.1	.02	.03	.01	.02	45.7	26.8	.06	.03	.03	.02
Catsup	31.0	39.1	.05	.05	.01	.01	58.6	62.0	.14	.14	.03	.03
Pickles, olives, relishes	27.6	25.3	.04	.05	.02	.02	32.9	33.8	.11	.17	.03	.04

1/ Detroit data were based upon interviews obtained from 87 households participating in the Food Stamp Program in fall (September-October). Of these, 71 had participated in the Direct Distribution Program in the spring (April-May). Of the 71 households interviewed in rural Fayette County who were participating in the Food Stamp Program, 66 had participated in the Direct Distribution Program. Households in Detroit averaged 5.29 persons per household in spring and 5.32 persons in fall; rural Fayette County averaged 4.94 persons per household in spring and 5.13 in fall. Detail may not add to totals because of rounding.

2/ Less than .005.

3/ Excludes butter.

4/ Fluid milk equivalent, on basis of calcium content.

5/ Shell egg equivalent.

6/ Includes butter.

7/ Regrouping of original data precluded computation of percentage of households using.

8/ Includes strained and chopped baby food, except for percentage of households using.

9/ Total includes foods not listed separately.

the increase in per capita value among participants in rural Fayette County. Larger quantities, higher seasonal prices, and slightly costlier cuts of meats contributed to the higher per capita meat values in both areas.

The additional food purchasing power of food stamp families enabled more of them to eat poultry and more often. Increased quantity and value of chicken accounted for most of the poultry increase. Lower chicken prices in the fall period accounted for part of the increase in per capita quantity.

Both per capita value and quantity of fish and fishery products used by Detroit food stamp families in the fall were markedly above spring levels. Canned fish accounted for most of these increases.

In Detroit and rural Fayette County, per capita values of dairy products were greater for families participating in the Food Stamp Program. The most notable change in use of dairy products was the substitution of fresh whole milk for nonfat dry milk. In April-May, nonfat dry milk was distributed under the Direct Distribution Program. Similar consumption shifts in these commodities by former direct distribution households indicated the shifts were largely due to curtailment of the commodity distribution program. However, substitution of fresh milk was greatest among food stamp families. Families in the Food Stamp Program in rural Fayette County also increased use of other high-value dairy products, such as cheese and ice cream. In both areas these households increased use of evaporated milk.

Although consumption of fresh eggs by recipients of food coupons increased in both areas, this gain was more than offset by reductions in the use of egg products. Dried whole eggs were available under the Direct Distribution Program. In the spring, this commodity accounted for about one-third of the eggs used by households in the Direct Distribution Program.

A shift from butter to margarine and from lard to hydrogenated shortening resulted in a higher per capita quantity of fats and oils used by Detroit food stamp families in the fall than in spring. The per capita value of fats and oils, however, remained about the same. Butter and lard, distributed under the commodity donation program, made up a large portion of the fats and oils used in the spring. With the termination of the donated foods program, these commodities were almost entirely replaced by margarine and hydrogenated shortening in households which received these foods. Food stamp families also increased use of salad dressing.

Consumption of flour and other cereal products in the fall remained about the same for Detroit food stamp families, but fell below spring levels among food stamp families in rural Fayette County. Curtailment of the donated foods program, as well as seasonal consumption patterns, accounted for the smaller per capita quantity in the fall period. Under the Direct Distribution Program, flour, cornmeal, rice, and rolled oats were provided. Generally, per capita consumption of these commodities was lower in the fall than in the spring among most households which had participated in the Direct Distribution Program. In both areas, the decrease in the use of federally donated commodities was largely offset by increased consumption of bread and other commercially baked products,

such as crackers, unsweetened rolls, donuts, and cookies. Also, rural Fayette County food stamp families slightly increased use of some higher value cereal products, such as ready-to-eat cereals and prepared cake mixes. There was also a similar shifting among former direct distribution households in Detroit in use of cereal and bakery products.

Seasonal consumption patterns appeared to be the prime factor in the decline in consumption of potatoes and sweetpotatoes from the spring to the fall.

Food stamp families increased slightly their per capita consumption of sugar and sweets. Larger quantities of granulated sugar and candy accounted for most of the increase. The increase in consumption of granulated sugar was primarily attributed to seasonal consumption patterns. The larger quantity of candy apparently was related to additional purchasing power.

Fruit consumption in the fall was above the spring level for food stamp families as well as most other low-income households. Lower prices for fresh fruit in the fall and seasonal availability resulted in the larger quantity consumed by the control group. However, the additional food purchasing power available to food stamp families probably accounted for the greater than average increases in the value of fresh fruit consumed by these families. Most fruit consumed by food stamp and other low-income families was fresh. Melons accounted for most of the increase in fresh fruit. Bananas were of special interest since they could not be purchased with food coupons. The lower level of banana consumption appeared due to seasonal consumption patterns rather than the program.

Fresh corn and tomatoes accounted for most of the doubling of the quantity of fresh vegetables used by food stamp families as well as other low-income families in both areas. The seasonal nature of these commodities accounted for a good share of their increased use, but the rise in consumption by food stamp families substantially exceeded the rise by the control group, particularly in Detroit. With the exception of Detroit food stamp households, most low-income families consumed a smaller quantity of canned vegetables in the fall than in the spring. Detroit food stamp families increased consumption of canned baked beans. In consumption of dried vegetables, Detroit food stamp families replaced dried navy beans, one of the federally donated commodities, with dried lima beans, peas, and lentils in the fall. The consumption of dried vegetables in rural Fayette County, however, declined.

The consumption of juices expanded among food stamp families in both survey areas. The additional purchasing power under the Food Stamp Program apparently enabled more families to buy juices. Also, food stamp families increased use of soft drinks in the fall in both survey areas. Coffee could not be purchased with food stamp coupons. Families in the Food Stamp Program, however, apparently did not change their coffee consumption.

As noted, the effects of the Food Stamp Program on the use of food varied between Detroit and rural Fayette County. Changes in the per capita quantity and value of food consumed generally were greater among the Detroit food stamp participants than among rural Fayette County participants.

COMMODITY REVIEWS

Meat

Commercial production of red meats in the first 6 months of this year totaled 14.5 billion pounds, up 4½ percent from the first half of 1962. Meat production in the first half of 1963 included more beef and pork, but less veal and lamb and mutton. A larger beginning inventory of pork and increased imports of meat (mainly beef for processing) increased the total supply of red meat during the first half of this year.

The apparent disappearance of red meat during the first half of this year increased 4 percent over a year earlier. With military and export uses about the same as a year earlier and some allowance for increased stocks, the increase in disappearance largely was reflected in civilian consumption. The civilian population is about 1½ percent larger this year than in the first half of 1962. Therefore, per capita consumption of meat in the first 6 months of 1963 was up about 2 percent over the 81.5 pounds consumed in first-half 1962. Per capita consumption of beef was up about 4 percent, and pork was up about 2 percent; lamb and mutton and veal consumption was down about 11 percent.

Consumers paid a higher average price for meat during the first quarter this year than a year earlier. But in the second quarter, prices declined substantially, to a level below April-June 1962.

Total commercial production during the second half of 1963 likely will be about 3 to 4 percent larger than a year earlier. Mid-year stocks of meat in cold storage were up from January 1 and from mid-year 1962. Thus, cold storage stocks likely will add more to consumption the second half this year than a year earlier. Imports of processed beef were high during the last half of 1962.

Per capita consumption of meat for the year likely will total about 167 pounds, up 2 percent from 163.7 pounds consumed last year (Table 4). Meat consumption this year may equal or slightly exceed the previous record of 166.7 pounds in 1956.

Commercial beef production in the first half of the year was slightly over 7.8 billion pounds, up 6 percent from the corresponding period last year. The increase consisted mostly of fed beef, the primary source of fresh beef. Steer and heifer beef production was particularly large during the second quarter --about 10 percent over the April-June period last year.

Supplies of beef at retail will continue large the second half of the year. Production of fed beef may drop somewhat from the high level of the April-June period this year, but will continue appreciably above a year earlier. Fed beef production dropped sharply in the August-November period last year.

The retail price of beef is expected to continue at about June levels through the third quarter and may increase slightly during the fourth. Beef is expected to be a considerably more attractive buy than last year during the fall and winter months. Beef prices rose sharply last August and September and continued at a high level throughout the remainder of the year.

Commercial production of pork in the first half of this year totaled about 5.9 billion pounds, up 4 percent from the first half of 1962. The pressure of a larger pork and beef supply drove the retail price of pork down to an average of 54.9 cents a pound in May--the lowest since April 1960.

Pork production tapered off in May and will continue seasonally low through most of September. Retail prices likely will average above the low in May this year but are not expected to rise above year-earlier prices in the third quarter. Pork production will increase seasonally in October and November, but supplies and retail prices likely will not be much different from a year earlier.

Lamb and mutton production in commercially operated plants was off 8 percent during the first 6 months of 1963 compared with the same period a year earlier. The average retail price of leg of lamb reflected the lower supply. It averaged 72.6 cents per pound during the first 6 months of this year, 3 percent above a year earlier. Per capita supplies of lamb are expected to be down throughout the last half of this year. Retail prices, however, likely will average close to 1962 because of more competition from beef and broilers in the second half of this year than a year earlier.

Fishery Products 1/

During the second half of 1963, U. S. per capita consumption of fishery products is expected to increase slightly over the first 6 months of the year. There will be more fresh and frozen fish available but fewer supplies of some canned products during the remainder of this year. For the year, per capita consumption likely will be a little lower than in 1962.

Retail price trends for fishery products were mostly downward toward the end of the first half of 1963. Generally, prices dropped for shrimp, salmon, canned tuna, and fresh-water fish varieties. However, a price strengthening for most fishery products is probable in the second half.

Cold-storage holdings of edible fishery products on July 1, 1963, were 166 million pounds compared with 137 million on July 1, 1962. An inventory buildup is underway as landings of fish and shellfish now are approaching the season's peak.

Imports during the first part of 1963 generally were lower than a year earlier. However, there was a very large increase in receipts of frozen shrimp and canned sardines not-in-oil. Higher imports are expected for most species during the second half of 1963. In recent years imports have provided an increasing proportion of total U. S. consumption of fishery products. In 1962, imports accounted for about 45 percent of the total, up from about 23 percent in 1950.

1/ Prepared by the Bureau of Commercial Fisheries, Fish and Wildlife Service, U. S. Department of the Interior.

Poultry

Chicken was more plentiful and lower-priced in the first half of 1963 than in the same period last year. However, turkey was in shorter supply in January-June largely because of a 60 million-pound smaller carryover of frozen stocks from the 1962 crop.

Poultry slaughtered under Federal inspection in the first 6 months of 1963 compared with a year earlier was up 141 million pounds (liveweight) or 5 percent for young chickens, up 11 million pounds or 5 percent for mature chickens, and down 12 million pounds or 6 percent for turkeys.

Through mid-fall, broiler slaughter is likely to be up 5 to 10 percent from a year earlier. Retail prices for broilers and fryers in the next 2 or 3 months are likely to average about the same as in the past 3 months and a little lower than in the same period of 1962. After that, prices probably will trend downward and by the end of the year could be significantly lower than a year earlier. Broiler slaughter in early August normally is near its seasonal peak. Once the high point is past, output usually declines through winter.

The 1963 turkey crop is expected to total 93-94 million birds compared with 92.3 million in 1962. Most turkeys (83 percent in 1962) will be marketed in the second half of the year. On July 1, stocks of frozen turkey totaled 90 million pounds compared with 121 million pounds on July 1, 1962. By September 1, the beginning of the main marketing season, cold storage holdings are likely to be rebuilt almost to the year-earlier level of 160 million pounds, mainly because of an expected spurt in turkey slaughter in July and August.

Turkey supplies for the holiday season this year will probably be about as large as in 1962. However, per capita consumption of turkey for all of 1963 is forecast at 6.8 pounds (ready-to-cook weight), down from 7.1 pounds in 1962. The decline mainly reflects the increase in population.

Eggs

U. S. farms turned out 1 percent fewer eggs in the first half of 1963 than in the same period last year. And BLS estimated retail egg prices for grade A large eggs in January-May at 55.5 cents per dozen, were 1.9 cents higher than a year earlier.

This summer, egg production will decline seasonally and egg prices to consumers will rise. Egg prices to consumers last year rose from the low of 46.5 cents per dozen in June to a fall high of 59.7 cents per dozen in October. A similar pattern in mid-month prices is in prospect this year.

Egg output the remainder of the year is expected to total about the same as a year earlier. Slightly smaller production later this summer may be about offset by larger output in the closing months of the year. Retail egg prices may be a little higher than a year ago in the third quarter and slightly lower in the fourth quarter.

Per capita egg consumption for 1963 will probably be down about 10 eggs from 324 in 1962. Slightly reduced egg production and the population growth explain the decline.

Dairy Products

Milk production in the first half of 1963 was 0.9 percent below a year earlier. Commercial stocks of manufactured dairy products increased about the same as in the first half 1962. Consumption from commercial sources increased about 3 percent from a year earlier. Government purchases of butter and cheese (delivery basis) were 26 percent below first half 1962 as a result of lower production and increased commercial use. In the second half, milk production will be down seasonally but is likely to be close to year-earlier levels. Total supplies will remain high.

Per capita consumption of fluid milk, cream, evaporated milk, dry whole milk, and butter in 1963 probably will be below 1962, while ice cream, nonfat dry milk, and fluid skim milk consumption likely will rise. Retail prices of dairy products in the second half of 1962 will increase seasonally but likely will be close to year-earlier levels.

Total milk used for manufactured dairy products during the first 6 months of 1963 was about 4 percent below a year earlier. This change reflects lower milk production and about a 2 percent increase in sales of fluid milk products. Butter production in the first half of 1963 was 8 percent below a year earlier. Manufacture of cheese, ice cream, and cottage cheese increased slightly, while manufacture of evaporated milk, dry whole milk, and nonfat dry milk was somewhat lower than a year earlier. Production of manufactured dairy products will decline seasonally during the last half of 1963. Reduced purchases of butter, cheese, and nonfat dry milk by CCC indicate that commercial demand for manufactured dairy products in 1963 may equal 1962 demand.

Retail prices of dairy products (including butter) in the first quarter of 1963 were 1.5 percent below a year earlier, reflecting the April 1, 1962, decline in support prices. In second quarter 1963, prices declined 0.3 percent below a year earlier. For 1963, retail prices probably will average slightly below 1962.

In January-April 1963, total consumption of fluid whole milk in comparable marketing areas increased 2 percent over a year earlier and consumption of skim milk and low fat items increased 8 percent. Use of fluid cream was down slightly. While total consumption of fluid milk is increasing this year, the downtrend in use of milk on farms where produced will continue. This decline may be large enough to cause lower per capita consumption of fluid milk and cream in 1963 than in 1962. Although the BLS average retail price per quart of milk has declined seasonally this year, the decline is below the 1957-59 average. In May and June, prices were unchanged from a year earlier, both at stores and delivered to homes.

Consumption of butter in 1962 was about 1 percent below 1961. In the first 4 months of 1963, total domestic civilian disappearance of creamery butter was about 1½ percent above a year earlier. However, expectations are that for all of 1963 per capita consumption of butter will be slightly below the 7.2 pounds in 1962.

Total cheese consumption rose 8 percent between 1961 and 1962, although consumption from commercial sources declined. Total disappearance in January-April 1963 was about 5 percent above the same period in 1962. The increase was due to a 6 percent increase in commercial disappearance.

Total domestic use of nonfat dry milk rose about 20 percent above year-earlier levels in the first 4 months of 1963, according to preliminary data. It is likely this year's per capita consumption will be above the 1962 level of 5.6 pounds.

Use of evaporated milk continued down, dropping 6 percent in the first 4 months of 1963 below a year earlier. Disappearance of dry whole milk in the same period was sharply under last year's high level.

During the first 4 months of 1962, domestic distribution of CCC stocks of dairy products for welfare and school lunch programs included 68 million pounds of butter, 53 million pounds of cheese, and 71 million pounds of nonfat dry milk, slightly under 1962 levels for cheese and nonfat dry milk during the same months.

Food Fats and Oils

Total supplies of food fats and oils will continue heavy through September. Production and domestic disappearance are declining seasonally this summer. Stocks of food fats on July 1, 1963, were somewhat above a year earlier with more butter, lard, and edible vegetable oils on hand. Stocks of these fats will continue high during the remainder of the marketing year and on October 1, 1963, will be slightly above the high level of a year earlier. However, stocks of finished products and soybeans (oil equivalent) are expected to be below year-earlier levels.

Production of food fats and oils during the second half of calendar year 1963 is expected to be slightly above a year earlier. Increases in edible vegetable oils and lard are anticipated. Although milk production so far in 1963 is down from a year ago, butter stocks remain large. Current prospects indicate good 1963 oilseed crops with record soybean acreage in prospect. Increased crushings of oilseeds will begin as the 1963 oil crops start to move to market in the fall.

Per capita use of food fats during the remainder of calendar year 1963 is expected to follow rather closely the long-term pattern, with the annual civilian consumption rate averaging around 46 pounds (fat content). Per capita consumption of butter and lard (direct use) are expected to register a slight decline as in recent years, while use of margarine probably will increase. Use of shortening and cooking and salad oils is expected to continue near the same high rate of last year. As a result of growth in population, total domestic disappearance of all food fats for the entire year probably will be record high. Exports of food fats so far this year have been at a record level and are expected to continue substantial throughout 1963.

Retail prices of most food fats have declined somewhat since the beginning of 1963. Butter, lard, margarine, shortening, and salad dressings prices all are below January 1963. Peanut butter prices are up fractionally from the beginning of the year. During the second half of calendar 1963, retail prices of these products are not expected to change significantly from June levels. Fractional decreases still may occur this summer, as food fat consumption reaches a seasonal low. Relatively low wholesale prices of edible fats and oils should help keep prices of finished products near current levels.

Fruit

Total supplies of fresh and processed fruits in prospect for late summer and early fall are somewhat lighter than a year earlier, and retail prices generally are expected to be above year-earlier levels. For fresh deciduous fruits, moderately smaller supplies than a year ago are indicated. For fresh citrus, a slight increase over last summer is expected. But later in fall, as fruit from the new crop in Florida becomes available, supplies are likely to be below the volume of a year earlier.

Remaining supplies of frozen and canned citrus juices from the 1962-63 Florida pack are much smaller than a year ago and retail prices are expected to remain well above year-earlier levels. Prospective supplies of canned and frozen deciduous fruits for the rest of this year are down moderately and retail prices probably will average a little higher than last year. In contrast, there probably will be some increase in supplies of dried fruits. Increased supplies of tree nuts are in prospect for late summer and fall.

Prospective supplies of fresh deciduous fruits for late summer and fall are moderately smaller than a year earlier. Supplies of fresh peaches, nectarines, pears, apples, and Pacific Northwest prunes are expected to be lighter than a year earlier. But fresh plums and grapes, especially the Thompson Seedless, are expected to be heavier. Earlier in the season, there were lighter supplies of sweet and sour cherries and strawberries, but heavier supplies of apricots. In early summer, supplies of fresh peaches from the heavy crop in the 9 Southern peach States were abundant. Total production of deciduous fruits in 1963 is expected to be about 4 percent smaller than in 1962 but 2 percent above average. Imports of bananas for the rest of this year are expected to be about as large as in this period last year. For most fresh fruits this summer and fall, retail prices may be a little above a year earlier.

Supplies of fresh citrus fruit for late summer and early fall appear to be a little larger than a year earlier, mainly a result of increased production of California Valencia oranges and delayed harvest of lemons. The Florida lime crop, harvest of which is most active during summer and early fall, is larger than last year. Supplies of fresh citrus generally are the smallest during summer and increase as harvest of the new Florida crop gets underway in the fall. Continued high prices for fresh citrus seem likely.

Prospects for the new (1963-64) citrus crop are more favorable than a year earlier in California and Arizona, but down sharply in Florida. Total supply will be down from 1962-63.

Canned fruit supplies this summer and fall probably will not be as large as the unusually heavy supplies a year earlier. Canners' stocks of 9 important canned fruits on June 1, 1963, were about 10 percent below the large year-earlier volume. This reduction was only partially offset by some increase in wholesale distributors' stocks. Due to lighter crops of many fruits, the total pack probably will be down somewhat from the 1962 record. Even so, heavy packs of such important items as peaches, applesauce, and apricots are expected. Retail prices of some canned fruits advanced during the first half of 1963 to levels above a year earlier, and further increases are expected.

Continued relatively light supplies of processed fruit juices, particularly citrus juices, are in prospect for the rest of 1963. In mid-July, Florida packers' stocks of frozen orange and grapefruit concentrate and the more important canned single-strength citrus juices were much smaller than the unusually large stocks a year earlier. Retail prices, especially for frozen orange concentrate, were up sharply. This situation is a reversal of the supply and price position a year ago. Moreover, prospects are not very favorable for a quick build up of supplies from the new citrus crop.

Packers' stocks of pineapple juice at the start of the 1963-64 season also were down considerably from a year earlier. Other fruit juices packed in relatively large volume include apple and grape juice. But data on stocks are

not available. To an increasing extent, processed fruit juices are reaching the consumer as an ingredient of fruit drinks, of which the major volume is water. Available data indicate that both quantity and price for this type of beverage are above a year ago.

Reduced supplies of frozen deciduous fruits and berries also are in prospect for the rest of this year. On July 1, cold storage stocks were about 10 percent smaller than a year earlier, and the 1963 pack probably will be down somewhat due to smaller 1963 crops. A sharp reduction is expected in the pack of frozen red tart cherries, and there may be moderate reductions in the packs of some other fruits and berries.

Prospective supplies of dried fruits for late summer and fall are somesomewhat larger than a year earlier. Remaining supplies from the 1962-63 pack appear to be heavier than a year ago and the outlook is for some increase in the 1963-64 pack. A substantial increase in output of raisins is expected because of a prospective 12 percent increase in Thompson Seedless grapes, the prinipal variety dried into raisins. But the pack of dried prunes is expected to be moderately smaller than last year. For other items, the outlook for size of pack is still uncertain. Dates and figs, of which there also are substantial imports each year, are next to raisins and prunes in volume dried.

Early-season indications for tree nuts point to increased supplies from 1963 crops following harvest in late summer and fall. A sharp increase in production of almonds is expected to much more than offset prospective small decreases in walnuts and filberts. Available information indicates that supplies of pecans following harvest in fall will be larger than a year earlier. As usual substantial imports of cashews and Brazil nuts can be expected. They are not grown commercially in the United States.

Vegetables

During the rest of the summer, supplies of fresh vegetables, cantaloups, and watermelons will be seasonally large, although moderately smaller than a year earlier. Retail prices of vegetables and melons in the next 4 to 6 weeks are likely to continue moderately above year-earlier levels. Ample to heavy supplies of canned and frozen vegetables are in prospect this summer. But a smaller 1963 pack will be in progress, and probably will hold retail prices a little above a year earlier. During the remaining weeks of summer, supplies of potatoes are expected to be slightly smaller than last season, and supplies of sweetpotatoes substantially smaller. Retail prices of potatoes are likely to average close to those of last year, and prices of sweetpotatoes materially higher.

Supplies and consumption of fresh vegetables will be seasonally large through early fall, as local production supplements marketings from commercial producing areas. Overall supplies during the summer are expected to be moderately smaller than last year, however. Among individual items, larger supplies of carrots and celery are in prospect. But moderately smaller supplies of

cabbage, sweet corn, and early-summer tomatoes are likely, together with sizeable reductions in lettuce and early-summer onions. Overall retail prices during the spring averaged somewhat higher than in the spring of 1962, and prices during August-September are expected to continue moderately above a year earlier. For the year as a whole, per capita consumption is expected to be the same to slightly above 1962. Production of vegetables for fresh market was moderately larger in the first half of 1963 than in the same months of 1962. However, in the second half of 1963 supplies may be slightly smaller than a year earlier, because of an indicated reduction in summer production.

Smaller supplies of cantaloups and watermelons are in prospect this summer than a year earlier. Indications point to a decrease of 16 percent from last year for early-summer cantaloups and a 7-percent decrease in production for the important mid-summer crop. About 4 percent fewer watermelons also are indicated. Per capita consumption of melons for the year likely will be slightly below 1962.

Supplies of canned and frozen vegetables for the 1963-64 season are likely to be moderately below the heavy supplies last season. Early reports point to a substantially smaller tonnage of vegetables for commercial processing this year than last. But this decline will be largely offset by the heavier carryover of canned and frozen vegetables, excluding potatoes, at the beginning of the season. Among canned items, smaller supplies are in prospect for lima beans, snap beans, sweet corn, tomatoes, and tomato products. Supplies of canned green peas and sauerkraut may be about the same as in the 1962-63 season, while larger supplies of cucumber pickles are indicated. During the remaining weeks of summer, overall retail prices of canned and frozen vegetables are expected to continue slightly to moderately higher than a year ago. For the year as a whole, per capita consumption of canned and frozen vegetables excluding potatoes, are expected to be about the same as the high levels of 1962.

Potato supplies are likely to be slightly smaller in August-September because of the modest reduction from last year in summer production. However, potato supplies will be adequate and retail prices are expected to remain at moderate levels.

The 1963 sweetpotato crop, just beginning to move to market in volume, is 12 percent smaller than last year. In the first half of 1963, prices were lower than in the first half of 1962. But with substantially smaller supplies in prospect during the remaining months of the year, retail prices are expected to average significantly above a year earlier.

Supplies of dry edible beans are expected to be slightly smaller in the 1963-64 season than in the previous season. A little larger production is indicated, but this is expected to be more than offset

by smaller stocks at the beginning of the season. Per capita consumption is expected to be close to a year earlier. Retail prices in the last half of the year may average slightly higher than last year.

Cereal and Bakery Products

Supplies of wheat, rye, and rice during the second half of 1963 are smaller than a year earlier. However, they continue in excess of domestic food requirements. Per capita consumption of products made from these cereal grains is expected to be about the same in 1963 as in 1962.

Retail food prices of cereal and bakery products are likely to continue upward. During April-June, the retail price of a 1-pound loaf of bread was the same as that reported during January-March, but was ½ cent above April-June 1962. The retail price of long-grain rice during April-June was about the same as in the preceding quarter and a year earlier.

Domestic sales of corn sugar were about 10 percent larger in January-June 1963 than in the first half of 1962, and sales of corn sirup were 7 percent larger. Demand for these products has been strong in recent years. Consumption of corn sirup increased to 11.5 pounds per capita in 1962, the highest since 1947. The 3.9 pounds of corn sugar consumed per capita in 1962 was the highest since 1954.

Per capita consumption of cornmeal has declined for a number of years. In 1962 per capita consumption was estimated at about 7.0 pounds, only half that of 15 years ago. Consumption of oat food products in recent years has averaged about 3½ pounds per capita, and barley malt and other malt food products about 1 pound per capita.

Retail prices of corn flakes rose 5 percent during the past year, cornmeal was up 4 percent, and rolled oats rose 2 percent.

Sugar

Sugar prices reached a peak of $16.30 per hundred pounds in May this year in the New York wholesale market but by the end of July had dropped to $12.20. Rapidly rising prices during January-May caused considerable apprehension among household consumers and industrial users about costs and the adequacy of supplies. Because of this concern, users purchased sugar in considerably larger quantities than normal during the first 5 months of 1963. Deliveries by primary distributors during January-May total 4,166,000 tons, nearly 600,000 tons above the corresponding period of 1962.

During May, USDA increased 1963 import quotas on sugar by 600,000 tons. Assurances were obtained from foreign suppliers that nearly all of the enlarged quotas would be filled. Sugar prices began declining late in May, although in July they were still well above January 1963. Distribution during June and July declined sharply to a level well below June and July 1962, as stocks were reduced.

Rising sugar prices in the first half of 1963, which were accompanied by increased speculative trading, were the result of a tightening of Free World supplies. Production in 1962-63, at 54.5 million tons, was 2 million below 1961-62 output and 5.5 million under the record 1960-61 crop. The decline was due largely to a drop in Cuban output from 7.5 million tons in 1960-61 to 4.1 million in 1962-63 and to a decline in Western Europe's production from 10.6 tons to 8.0 million during the same period. Aggregate production in the rest of the world increased slightly from 1960-61 to 1962-63.

While quantitative estimates of the 1963-64 crop will not be available for several months, larger crops appear certain in several important producing countries, including the United States. The absence of acreage restrictions in the United States has encouraged acreage increases for sugar beets and sugarcane. Some increase in beet acreage in West Europe has been reported, and recent good weather has improved yield prospects. Government policies in a number of producing countries are providing incentive to increase production. Higher prices provide strong incentive in most countries to use more fertilizer, to modernize and expand mills, and increase production in other ways.

World consumption of sugar was adversely affected by higher prices in 1962-63 but exceeded production and stocks were reduced. However, if world production increases enough in 1963-64 to meet the needs of consumers in the United States and the rest of the Free World, as appears likely, prices probably would be below present levels. U. S. sugar prices next year are expected to be close to pre-1963 levels, but prices in the world market are not likely to return, within the forseeable future, to the disaster level--below 3 cents per pound (raw sugar) that prevailed in exporting countries during most of 1961 and 1962.

The National Food Situation is published in February, May, August, and November.

The next issue is scheduled for release on November 22, 1963.

Table 9.--Production of major food commodities, calendar years, 1947-49 and 1957-59 averages, 1960-62 and preliminary estimates for 1963, with percentage comparisons 1/

Commodity	Unit	Average 1947-49	Average 1957-59	1960	1961	1962 Preliminary	Preliminary: estimates for 1963 2/	1963 as a percentage of 1947-49	1963 as a percentage of 1957-59	1963 as a percentage of 1962
Meats (carcass weight)										
Beef	Mil.lb.	9,649	13,704	14,727	15,296	15,296	16,350	169	119	107
Veal	Mil.lb.	1,454	1,240	1,108	1,045	1,015	950	65	77	94
Lamb and mutton	Mil.lb.	716	711	768	832	809	740	103	104	91
Pork (excluding lard)	Mil.lb.	10,281	10,957	11,605	11,412	11,841	12,050	117	110	102
Total meats	Mil.lb.	22,100	26,612	28,208	28,585	28,961	30,090	136	113	104
Poultry and eggs 3/										
Eggs	Mil.doz.	5,086	5,475	5,329	5,315	5,354	5,300	104	97	99
Chicken (ready-to-cook)	Mil.lb.	2,753	4,880	5,228	5,828	5,830	6,200	225	127	106
Turkey (ready-to-cook)	Mil.lb.	492	1,065	1,162	1,506	1,302	1,320	268	124	101
Dairy products										
Total milk	Bil.lb.	4/116.3	123.3	122.8	125.3	125.8	125.5	108	102	100
Cheese 5/	Mil.lb.	1,160	1,396	1,478	1,635	1,585	1,680	145	120	106
Condensed and evaporated milk	Mil.lb.	3,497	2,789	2,666	2,631	2,407	2,485	71	89	103
Ice cream (product weight)	Mil.lb.	2,758	3,212	3,348	3,346	3,363	3,440	125	107	102
Fats and oils										
Butter, farm and factory (actual weight)	Mil.lb.	1,611	1,477	1,435	1,536	1,576	1,505	93	102	95
Lard 6/	Mil.lb.	2,419	2,584	2,563	2,517	2,480	2,500	103	97	101
Margarine (actual weight)	Mil.lb.	839	1,549	1,695	1,724	1,726	1,775	212	115	103
Shortening	Mil.lb.	1,434	2,022	2,313	2,456	2,686	2,575	180	127	96
Cooking and salad oil 7/	Mil.lb.	8/	8/	1,915	2,124	2,534	2,375	---	---	94
Other edible fats and oils 9/	Mil.lb.	3,912	7,297	8,603	8,585	9,577	9,700	248	133	101
Total fats and oils (fat content) 10/	Mil.lb.	7,627	11,070	12,321	12,338	13,326	13,412	176	121	101
Fruits										
Fresh:										
Citrus	Mil.lb.	8,783	6,695	6,776	6,360	6,136	4,700	54	70	77
Apples (commercial)	Mil.lb.	3,775	3,972	3,472	3,827	3,777	3,700	98	93	98
Other (excluding melons)	Mil.lb.	4,493	4,082	3,911	4,003	4,049	3,900	87	96	96
Processed:										
Canned fruit	Mil.lb.	2,597	3,591	3,790	4,057	4,232	4,100	158	114	97
Canned fruit juices	Mil.lb.	2,230	2,177	2,160	2,084	2,115	2,000	90	92	95
Frozen (including juice)	Mil.lb.	416	1,557	1,620	1,741	2,037	1,250	300	80	61
Dried	Mil.lb.	961	697	694	755	724	800	83	115	110
Vegetables										
Fresh vegetables and melons 11/	Mil.lb.	22,565	24,375	26,094	25,568	25,411	25,600	113	105	101
Fresh vegetables	Mil.lb.	18,504	19,921	21,452	21,125	20,926	21,200	115	106	101
Melons	Mil.lb.	4,061	4,454	4,642	4,443	4,485	4,400	108	99	98
Canned	Mil.lb.	6,086	7,879	8,021	8,821	9,532	8,300	136	105	87
Frozen	Mil.lb.	448	1,469	1,953	2,110	2,255	2,325	519	158	103
Potatoes	Mil.cwt.	248	252	257	294	267	269	108	107	101
Sweetpotatoes	Mil.cwt.	25.3	18.2	15.4	15.2	19.0	16.7	66	92	88
Dry edible beans 12/	Mil.lb.	1,854	1,797	1,792	2,029	1,883	1,929	104	107	102
Dry field peas 12/	Mil.lb.	401	376	324	354	495	439	109	117	89
Sugar, raw basis	1,000 short tons	2,066	2,732	3,076	3,176	3,279	3,775	183	138	115
Grains										
Wheat	Mil.bu.	1,251	1,178	1,357	1,235	1,093	1,111	89	94	102
Rye	Mil.bu.	23.1	28.3	33.1	27.5	41.2	29.3	127	104	71
Rice, milled	Mil.lb.	2,333	2,867	3,529	3,637	3,661	4,297	184	150	117
Corn, grain only	Mil.bu.	2,788	3,409	3,908	3,626	3,644	3,849	138	113	106
Oats	Mil.bu.	1,294	1,248	1,155	1,011	1,032	966	75	77	94
Barley	Mil.bu.	279	447	431	396	429	373	134	83	87
Peanuts, farmers' stock basis	Mil.lb.	2,128	1,613	1,786	1,740	1,810	8/	---	---	---

1/ Calendar year basis except for fresh citrus fruit for which the season begins in the fall of the previous year; dried fruits on a pack year beginning year indicated; rice on a marketing year ending year indicated. Data for Alaska and Hawaii are not included. 2/ Estimate or preliminary indication based on trends in livestock numbers, current or prospective rates of output, average or probable acreages and yields, and such other data or advance estimates as are available. These estimates are used only to indicate the general level of food supplies for domestic consumption for 1963, but they are based on such official estimates of production as are available at this time. Revisions will of course be made from time to time throughout the year as official indications or estimates are issued through the Crop Reporting Board of the Department. 3/ Includes an allowance for nonfarm production. 4/ Includes an allowance for nonfarm production of 1.1 billion pounds in 1947-49. 5/ Excludes full skim, cottage, pot, and bakers' cheese. 6/ Includes amount used in manufactured food and nonfood products. 7/ Fully processed liquid vegetable oils. Including use in mayonnaise and salad dressings, potato products, bakery products and in fish canning, etc. 8/ Not available. 9/ Includes cottonseed, peanut, soybean, corn, edible olive, and oleo oils, oleo stock, oleostearine, and edible tallow later processed into margarine, shortening, cooking and salad oils, etc., and nonfood items. 10/ Includes butter, lard, and "other edible fats and oils." 11/ This series covers total commercial production for sale as fresh both for shipment to distant markets and for local markets; includes quantities not harvested. Excludes farm garden output for farm household use. 12/ Cleaned basis.

Table 10.--Retail food prices indexes and Consumer Price Index, 1935-39 and 1947-49 averages, 1950-59 and 1960-63 by months

(Index, 1957-59=100)

Year and month	Food at home											Food away from home	All food	Consumer Price Index
	Meat 1/	Poultry 2/	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fruits and vegetables	Cereal and bakery products	Sugar and sweets	Beverages	Total			
1935-39	37.8	68.7	28.9	60.3	45.9	65.4	39.6	45.6	48.3	27.5	42.6	5/	41.9	48.7
1947-49	86.7	132.5	86.4	122.7	88.3	117.9	80.9	75.5	85.4	56.1	86.1	5/	84.7	81.5
1950	91.4	126.1	89.0	104.7	84.7	94.2	79.0	78.8	86.9	85.9	87.1	5/	85.8	83.8
1951	103.6	132.1	101.6	127.4	94.5	110.3	86.3	86.0	90.1	94.7	96.9	5/	95.4	90.5
1952	102.6	132.6	99.0	116.3	98.5	93.5	94.8	88.1	90.9	95.3	98.6	5/	97.1	92.5
1953	95.8	129.3	95.3	123.2	96.8	93.9	91.8	89.8	91.9	97.9	96.8	89.3	95.6	93.2
1954	95.3	116.7	95.8	103.1	93.7	98.9	90.5	91.9	93.8	116.3	96.3	90.9	95.4	93.6
1955	87.7	121.5	93.9	106.5	93.6	95.9	91.8	93.4	95.8	104.2	94.4	91.8	94.0	93.3
1956	84.8	106.5	93.8	105.9	96.0	98.0	96.3	94.7	93.6	108.9	94.8	93.6	94.7	94.7
1957	94.2	103.8	95.0	100.9	98.8	102.4	96.0	98.4	96.3	108.1	97.9	97.1	97.8	98.0
1958	104.9	102.6	101.6	106.1	100.3	101.2	102.8	100.4	100.7	100.5	102.2	100.0	101.9	100.7
1959	101.0	93.5	103.4	92.9	101.0	96.5	101.2	101.2	102.9	91.3	99.7	102.8	100.3	101.5
1960	99.2	95.0	103.5	100.1	103.2	92.1	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.1
Jan.	96.0	94.6	103.3	89.2	102.9	93.0	101.7	101.7	103.6	90.7	98.7	104.4	99.7	102.2
Feb.	95.7	96.0	103.1	84.0	102.9	91.4	101.9	102.0	103.4	90.3	98.5	104.6	99.5	102.4
Mar.	96.5	98.3	103.1	86.4	102.8	91.2	101.1	102.2	103.5	90.2	98.7	104.8	99.7	102.4
Apr.	98.9	97.9	103.1	97.3	101.9	91.5	105.1	102.4	103.3	90.7	100.4	105.2	101.3	102.9
May	99.7	95.8	103.4	92.1	101.6	91.0	107.5	102.3	103.2	91.0	100.7	105.3	101.4	102.9
June	100.3	95.0	103.5	89.8	101.6	90.9	110.1	102.6	103.2	91.2	101.3	105.5	101.9	103.1
July	100.5	97.6	103.3	90.3	102.3	91.5	108.7	103.7	103.3	91.6	101.5	105.6	102.2	103.2
Aug.	101.4	95.8	103.2	98.3	103.0	92.1	103.0	103.8	104.2	90.5	101.0	105.8	101.8	103.2
Sept.	100.3	94.2	103.3	110.2	103.8	92.8	100.8	103.9	104.8	90.2	101.0	106.0	101.9	103.3
Oct.	100.5	91.4	103.6	122.2	104.6	92.7	101.0	104.4	104.0	90.6	101.7	106.0	102.5	103.7
Nov.	100.3	92.2	104.1	121.1	105.0	93.5	102.1	104.5	102.5	90.7	101.9	106.2	102.6	103.8
Dec.	101.0	91.4	104.2	120.7	105.4	94.0	102.2	104.8	102.0	90.6	102.2	106.5	102.9	103.9
1961	100.5	85.8	105.8	100.1	104.8	98.6	104.2	105.4	101.4	90.7	101.5	107.8	102.6	104.7
Jan.	102.0	92.7	104.7	111.5	105.2	94.5	102.0	104.9	101.6	90.7	102.0	106.6	102.8	103.8
Feb.	101.9	94.6	105.5	105.6	105.1	94.7	102.9	105.1	101.5	91.2	102.1	106.8	102.9	103.9
Mar.	101.5	94.8	105.0	100.9	104.7	96.5	103.4	105.3	101.5	90.7	101.8	107.1	102.7	103.9
Apr.	100.8	92.3	105.2	93.4	104.2	98.2	106.3	105.4	101.5	91.1	101.8	107.3	102.7	103.9
May	99.7	86.6	105.5	90.3	103.8	99.5	107.0	105.4	101.5	90.9	101.3	107.4	102.3	103.8
June	98.8	81.6	104.9	89.9	103.6	100.4	109.5	105.4	101.5	91.2	101.4	107.6	102.5	104.0
July	99.2	82.0	105.5	98.2	104.2	100.5	111.8	105.1	101.4	91.1	102.4	108.0	103.4	104.4
Aug.	99.7	82.8	105.5	97.7	104.7	99.9	107.1	105.3	101.4	91.0	101.7	107.9	102.7	104.3
Sept.	101.2	80.9	105.8	104.0	105.1	99.9	102.3	105.4	100.9	90.7	101.4	108.6	102.6	104.6
Oct.	101.6	79.9	106.5	108.2	105.1	99.5	99.4	105.7	101.2	90.5	101.2	108.7	102.5	104.6
Nov.	100.3	79.2	107.3	102.6	105.5	99.4	98.4	106.3	101.0	89.9	100.5	109.0	101.9	104.6
Dec.	99.9	82.6	108.0	99.0	105.6	99.4	99.8	106.3	101.0	89.6	100.6	109.1	102.0	104.5
1962	102.5	90.7	110.2	94.6	104.1	98.5	105.0	107.6	101.4	89.3	102.2	110.7	103.6	105.4
Jan.	100.4	90.0	108.7	99.7	105.6	99.5	100.6	106.6	101.0	89.5	101.2	109.2	102.5	104.5
Feb.	100.6	95.0	109.6	100.0	105.1	99.5	102.9	107.1	101.3	89.4	101.9	109.5	103.1	104.8
Mar.	100.5	94.9	109.6	94.0	105.0	99.7	104.4	107.3	101.2	89.1	101.9	109.7	103.2	105.0
Apr.	100.7	89.6	110.2	89.2	103.7	99.7	108.6	107.3	101.1	89.2	102.1	109.9	103.4	105.2
May	100.2	88.2	110.5	85.5	103.0	99.8	109.4	107.5	101.1	89.2	101.9	110.1	103.2	105.2
June	100.2	89.0	110.7	81.3	102.7	99.0	111.9	107.4	101.3	89.1	102.1	110.6	103.5	105.3
July	101.8	87.9	110.6	84.6	103.5	98.4	109.9	107.9	101.5	89.2	102.4	110.9	103.8	105.5
Aug.	103.6	89.9	110.9	89.8	103.9	98.0	105.2	107.8	101.5	89.4	102.3	111.4	103.8	105.5
Sept.	107.8	93.1	110.8	103.1	104.2	97.0	102.2	107.9	101.7	89.8	103.5	111.5	104.8	106.1
Oct.	105.4	91.0	110.7	104.6	104.3	97.1	102.0	108.0	101.7	89.6	102.9	111.8	104.3	106.0
Nov.	104.5	92.5	110.2	101.1	104.2	97.1	102.1	108.4	101.9	88.9	102.6	111.9	104.1	106.0
Dec.	104.1	86.8	110.4	101.8	103.9	96.8	100.2	108.2	101.8	88.7	101.9	112.2	103.5	105.8
1963														
Jan.	103.6	90.0	111.0	103.1	103.8	96.8	106.4	108.7	102.0	88.9	103.2	112.3	104.7	106.0
Feb.	102.8	91.0	110.0	100.1	103.6	96.8	109.4	109.2	102.6	89.1	103.5	112.5	105.0	106.1
Mar.	101.2	91.1	110.4	98.6	103.5	96.2	109.6	109.1	102.9	88.9	103.0	112.6	104.6	106.2
Apr.	98.3	89.8	110.5	96.1	102.9	96.0	112.0	109.2	103.1	88.7	102.6	112.8	104.3	106.2
May	98.1	88.5	111.1	85.2	102.8	95.5	113.9	109.3	106.0	89.2	102.5	112.9	104.2	106.2
June	98.6	89.4	110.3	83.6	102.8	95.3	115.6	109.2	121.2	89.9	103.4	113.0	105.0	106.6

1/ Beef, veal, lamb and mutton, pork, and processed meat.
2/ Chicken is only item included.
3/ Includes butter.
4/ Excludes butter.
5/ Data not collected prior to 1953.

Bureau of Labor Statistics.

SELECTED RECENT ARTICLES, REPORTS, AND SPEECHES PERTAINING TO FOOD CONSUMPTION DATA AND ANALYSES 1/

Consumption and Demand

"The Changing Australian Food Industry," by W. McD. Herr. Journal of Marketing, April 1963, pp. 23-26. 2/

Domestic Distribution Pattern for Rice, Preliminary Data for 1961 and 1962, by Edward J. McGrath. ERS-126, May 1963. 11 pp. [This continues a report of same title published June 1957, AMS-193.]

"Factors Affecting Consumption of Processed Potato Products," by Olman Hee. Speech at Annual Meeting of the Agricultural Sciences Section, Virginia Academy of Science, Roanoke, Virginia, May 3, 1963. 7 pp.

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"Food Marketing in Western Europe Today," by J. C. Abbott. Journal of Marketing, April 1963, pp. 17-22. 2/

SELECTED RECENT ARTICLES, REPORTS, AND SPEECHES PERTAINING TO FOOD CONSUMPTION DATA AND ANALYSES 1/ -Continued

Marketing and Prices -Continued

"Integration in Food and Agricultural Industries -- A Perspective," by Allen B. Paul. Agricultural Economics Research, July 1963, pp. 81-88.

Marketing Food Products in American Samoa, by Henry T. Badger. ERS-125, May 1963. [Reprinted from The Marketing and Transportation Situation, May 1963, pp. 25-34.]

"Nonlinear Programming of Field and Plant Vegetable Processing Activities," by Robert H. Reed and James N. Boles. Agricultural Economics Research, July 1963, pp. 89-93.

Seasonal Factors, Consumer Price Index: Selected Series, June 1953-May 1961. U. S. Dept. of Labor, Bureau of Labor Statistics, Bulletin No. 1366, May 1963. 4/ (30 cents)

Other

Concentration Ratios in Manufacturing Industry, 1958. Prepared by Bureau of the Census for the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, United States Senate. 87th Congress, 2nd Session. 1962. Part I, pp. 1-452; Part II, pp. 453-510. 4/ (Part I, $1.25; Part II, 25 cents)

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1/ Unless otherwise indicated, items listed are Economic Research Service publications and may be obtained from the Division of Information, Office of Management Services, U. S. Department of Agriculture, Washington D. C. 20250.

2/ Quarterly publication of the American Marketing Association, 27 East Monroe Street, Chicago 3, Illinois. $8.00 per year.

3/ Iowa State University Press, Ames, Iowa. Price $4.95.

4/ For sale by Superintendent of Documents, U. S. Government Printing Office, Washington D. C. 20402.

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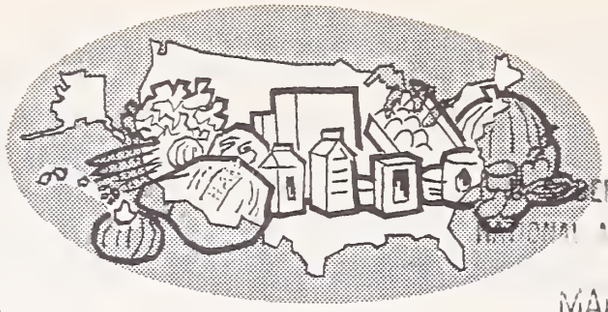
NATIONAL FOOD SITUATION



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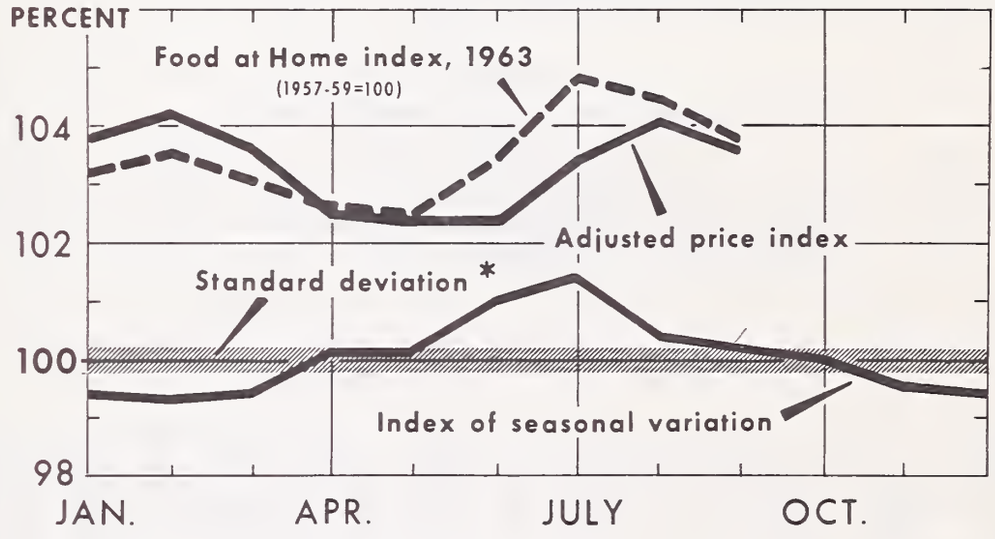
The seasonally adjusted retail price of all food purchased for use at home was higher in early months of 1963 than the unadjusted price. Because of declining meat prices, the adjusted price declined during the spring months when prices normally rise. Much of 1963's mid-summer price rise was caused by normal price increases for certain meats, fruits, and potatoes. Retail food prices normally decline in the last half of the year and remain at seasonally low levels through the winter.

SEASONALITY OF RETAIL FOOD PRICES



BASED ON DATA OF THE BUREAU OF LABOR STATISTICS.
* WIDTH OF SHADED AREA INDICATES SIZE OF 1 STANDARD DEVIATION ABOVE AND BELOW 100.

U. S. DEPARTMENT OF AGRICULTURE NEG. ERS 2533-63 (11) ECONOMIC RESEARCH SERVICE

IN THIS ISSUE

Seasonality in Retail Food Prices
Nutritional Review
Enrichment and Fortification of Foods
World Food Situation

Published quarterly by
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Table 1.--Volume of farm marketings and home consumption

(Index numbers, 1947-49=100)

Item	1935-39 average	1955	1956	1957	1958	1959 1/	1960 1/	1961 1/	1962 1/	1963 Preliminary 1/ 2/	1963 as a percentage of 1935-39	1963 as a percentage of 1962
Marketings and home consumption of all farm commodities 3/	73	112	117	112	119	124	127	128	130	132	181	102
Food marketings and home consumption	75	110	116	113	116	120	121	125	125	128	171	102
Marketing	69	114	121	118	122	127	129	133	133	137	199	103
Home consumption	122	74	73	70	65	62	57	52	49	46	38	94
Food grains 4/	54	81	90	78	109	104	114	111	99	108	200	109
Vegetables 5/	88	97	101	100	100	101	102	106	107	105	119	98
Fruit and nuts 6/	89	103	105	103	103	110	104	107	109	103	116	94
Sugar crops	106	107	107	122	120	130	134	148	150	180	170	120
Total food crops 7/	74	91	96	91	105	104	107	109	104	107	145	103
Meat animals	73	119	125	120	1/117	125	126	129	130	136	186	105
Poultry and eggs	63	122	134	137	1/145	151	150	162	161	164	260	102
Dairy products	88	107	110	111	1/110	109	110	112	113	113	128	100
Total food livestock 8/	75	116	123	121	1/120	126	126	131	132	135	180	102
Nonfood marketing	69	121	121	108	131	138	146	139	147	148	214	101

1/ Incorporates revisions based on the 1959 Census of Agriculture. 2/ Estimates for 1963 are based on calendar-year quantities estimated as of November 1, 1963. 3/ Food and nonfood items. 4/ Wheat, rye, rice and buckwheat. 5/ Truck crops for fresh use and processing potatoes, sweetpotatoes, dry edible beans, dry field peas, mung beans. 6/ Except peanuts. 7/ In addition to the crops listed above, includes peanuts, peppermint, popcorn, spearmint, and vegetables grown under glass. 8/ Also includes honey, but excludes turkey hatching eggs.

Table 2.--Food consumption per capita 1/

(Index, 1947-49=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy, excluding butter	Fats and oils, including butter	Fruits: Fresh	Fruits: Processed	Fruits: Total	Vegetables: Fresh	Vegetables: Processed 2/	Vegetables: Total 3/	Potatoes and sweetpotatoes	Beans, peas, nuts	Cereal products	Sugar and sirups	Coffee, tea and cocoa	All food
1910	99	76	107	78	69	104	106	21	79	93	24	72	184	79	131	59	58	87.6
1920	92	69	114	77	79	94	111	44	89	96	33	77	144	77	113	69	70	86.9
1930	87	79	98	85	82	117	104	51	87	102	51	87	122	91	115	93	73	90.7
1940	96	80	102	82	86	119	109	82	100	106	71	95	112	110	105	94	90	95.4
1941	97	86	108	80	88	120	113	77	102	103	75	95	118	108	106	102	93	97.3
1942	96	97	84	81	95	115	97	75	90	106	83	99	120	113	107	86	77	96.2
1943	100	120	75	88	95	101	87	65	80	109	74	98	121	103	119	84	73	97.4
1944	106	107	84	90	97	99	104	65	92	114	78	103	128	107	108	92	86	100.4
1945	100	118	94	102	103	94	103	82	96	117	94	110	114	109	114	76	89	101.4
1946	104	109	101	96	108	95	103	112	106	111	106	109	114	104	113	81	109	104.1
1947	105	99	96	99	103	100	105	96	102	103	99	102	112	97	101	103	97	102.2
1948	98	97	101	101	99	99	99	100	99	101	99	101	92	103	100	98	101	98.9
1949	97	104	102	100	98	101	96	104	99	96	101	97	96	100	99	100	103	98.9
1950	97	113	111	102	98	108	85	113	94	92	109	98	93	110	98	111	92	100.2
1951	93	119	106	104	98	98	88	112	95	90	113	97	93	100	101	103	94	98.3
1952	98	122	105	104	99	101	85	126	98	88	119	98	84	99	99	107	94	100.3
1953	105	122	103	101	98	101	84	130	98	85	123	97	88	96	97	106	96	101.4
1954	104	129	104	100	99	106	80	131	96	84	124	96	88	94	95	109	85	101.3
1955	109	121	97	99	100	106	77	141	97	83	130	98	88	91	90	109	86	102.1
1956	112	136	98	98	101	106	76	142	97	83	134	99	84	97	91	111	88	103.8
1957	107	144	97	96	99	104	75	145	97	81	135	98	86	94	90	109	89	102.2
1958	101	156	102	95	97	105	76	137	95	79	143	99	81	93	92	110	89	101.3
1959	106	161	102	94	97	107	78	141	98	78	147	100	83	98	90	110	90	103.3
1960	108	158	100	90	97	106	73	148	97	81	152	104	82	95	90	110	89	103.0
1961	107	174	103	87	94	105	69	146	93	81	155	104	82	99	89	110	90	103.2
1962 4/	109	171	101	87	94	108	67	150	93	80	164	106	80	95	87	111	91	103.5
1963 4/	113	171	98	85	94	106	64	141	89	79	165	107	81	98	88	111	93	104.1

1/ Civilian consumption, starting 1941. Quantities of food items (using retail store weights) are combined in terms of 1947-49 retail prices. Ingredients of mixed foods are included in the primary groups given. Includes home-produced as well as commercial quantities. Revisions to incorporate Census of Agriculture changes and to reprice and rebase to the 1957-59 period are planned. 2/ Includes all soups and baby food. 3/ Excludes beans and peas, potatoes and sweetpotatoes. 4/ Preliminary.

NATIONAL FOOD SITUATION

Approved by the Outlook and Situation Board, November 13, 1963

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SUMMARY

* Further strength in the demand for food is in prospect for 1964. The rate of expansion may exceed that of 1963. Gross national product is increasing about 5 percent in 1963 and disposable income is up nearly as much. Further expansion in consumer purchases, and increases in business investment and government spending are expected to contribute to increases in employment and income. Population is expected to expand about 1½ percent in 1964, about the same as during 1963.

* The increase in food expenditures in 1964 is expected to exceed the 1963 rate of about 3 percent. For 1963, expenditures are totaling about $76 billion. About 19 percent of disposable income is being spent for food this year. This percentage is expected to decline slightly as incomes in 1964 likely will rise more rapidly than food expenditures.

* Unit charges for marketing farm products are expected to continue rising in 1964, but the increase is not likely to be as great as the 4 percent rise in 1963 from a year earlier. The 1963 increase is largely traced to widening margins for meat and fruit. The marketing bill is rising about 6 percent, reflecting increased quantity and prices of marketing services. The farm value is staying about steady. Both operating costs and profits of food marketing firms are up from 1962.

* Retail food prices likely will edge up again in 1964, as they have in most recent years. But the rise is not expected to be as large as the 1½ percent increase in 1963, which is primarily in foods from crops. The index of fruit and vegetable prices is up considerably and sugar prices are also higher. Average retail prices for livestock products are down, reflecting increased supplies.

* Per capita consumption of food in 1964 is expected to be about steady with the high level of 1963. In 1964 declines in consumption per capita of eggs, processed fruits, and pork are expected about to offset small increases for beef, chicken, and processed vegetables. Consumption of all food this year is up half of 1 percent per capita, the largest increase since 1959. A substantial increase in beef consumption plus small increases in poultry, and several other foods are more than offsetting declines in consumption of eggs, fish, and fruit, mostly citrus.

* Domestic use of farm products in 1964 is expected to exceed that of 1963, but the increase may be less than this year's 2 percent increase. Marketings of commodities used for food are up about 3 percent in 1963. Use of home-produced food is down,but total food consumption is up about 2 percent. Exports of farm products in calendar year 1963 are up substantially. By yearend, stocks of food grains and dairy products are expected to be smaller than last year.

* Exports of farm products in calendar 1964 are expected to rise, continuing the upturn from 1962 to 1963. The value of exports the first 8 months of 1963 was 3 percent above a year earlier. A strong fourth quarter is expected to raise the increase for the year to a higher level. The value of imports was up 3½ percent during the same period, partly because of the price rise for cane sugar. The total value of exports of agricultural products the first 8 months of this year exceeded imports by 30 percent.

DEMAND FOR FOOD

A continuing rise in business activity accompanied by rising consumer incomes and expanding population have contributed to an increase in demand for food in 1963. Food expenditures are running ahead of 1962, but not as strongly as last year's increase over the year before. However, the rise in food expenditures during 1963 is about as great as expected, based on the rise in consumer income. Increasing food expenditures reflect increasing population, rising per capita consumption of food, and higher retail prices.

Food consumption is expanding this year. Typically, the population rise provides the outlet for most of the yearly increase in food supplies. But per capita consumption in 1963 is increasing more than usual. Despite increasing consumption, retail food prices are rising more than normal. Most of the

rise in consumption this year is in meat and other animal products whose retail prices are mostly steady to lower than a year earlier. Consumption of foods from crops generally is down and prices are up. The average price increase for food from crops more than counterbalances the average price decrease for livestock products.

The total value of all goods and services produced (gross national product) in 1963 is exceeding 1962 by around 5 percent. Disposable personal income is up about 4½ percent. On a per capita basis, this means disposable income is up 3 percent. A little over a third of this rise is due to the rising price level; the balance is an increase in real income per capita.

The outlook for 1964 is for further increases in income and general level of business. The increase next year may exceed 1963's upturn if proposed tax cuts are effective early in 1964. Contributing to such increases are additional consumer, business, and Government spending. Further improvement in corporate profits and internal corporate funds are in prospect. Utilization of existing plant capacity has been rising though some major industries are operating below optimal rates. Rising output will reflect increased employment and productivity per worker. Population expansion in 1964 is expected to be at about the same rate as this year. In total, a generally expanding economy is expected to strenghen the demand for food and other nondurables in 1964, perhaps more than during 1963.

RETAIL FOOD PRICES

Outlook for 1964

Retail food prices during 1964 may creep upward as they have in most postwar years, but the rise is expected to be less than 1963's 1½ percent increase. Retail prices of food from livestock products in 1964 are expected to average about the same as in 1963. Some price declines may take place next year for beef, eggs, and other products expected to be in large supply. Any upward price pressures that may develop are likely to be on foods from crops, as was the case in 1963.

Further increases can be expected in 1964 in prices of food purchased and consumed in restaurants and other away-from-home eating places. These prices have increased at a rather steady rate of about 2½ percent per year since 1953.

Retail Prices in 1963

The 1½ percent rise in retail food prices in 1963 is somewhat greater than in recent years. Between 1952 and 1962, retail food prices rose by 7 percent, less than 1 percent per year (table 11). Unusual factors were present in 1963 to cause food prices to rise more than normal. Charges per unit for processing and marketing foods originating on U. S. farms rose about twice as much during 1963 as they have in recent years. The winter freeze in Florida caused retail prices of citrus fruits and winter vegetables to rise sharply. Reduced supplies of deciduous fruits and certain vegetables later in the year caused

average fruit and vegetable prices to rise 6 percent in the first 9 months of 1963 compared with the same months of 1962. Other higher prices during this period included sugar and sweets up 8 percent, eggs up 3 percent, and cereal and bakery products up 2 percent. Lower prices included those for poultry, red meat, and dairy products each down about 1 percent, and fats and oils down 3 percent.

The Food-at-Home Index was up 1.3 percent the first 9 months of 1963 from a year earlier. The Food-Away-From-Home Index was up 2.4 percent so the All Food Index was up by 1.5 percent during the 9-month period. In comparison, the Consumer Price Index, which includes all commodities and services, went up 1.2 percent.

Meat price declines may take place in the last quarter this year in contrast to strong prices in the final quarter of 1962. Unusually heavy supplies and normal seasonal factors are expected to result in lower meat prices. (See "Seasonality of Retail Food Prices," p. 17.) Poultry and egg prices are expected to be about the same as in last year's final quarter.

The index of fruit and vegetable prices in the final months of the year is expected to continue well above a year earlier, but probably will decline seasonally from mid-year highs. Cereal and bakery product prices may continue their steady upward trend. Retail prices of sugar and sweets are expected to remain below 1963 summer peaks but above prices in the last quarter of 1962. Sugar constitutes only a small part of the total money spent for food at the grocery store, but it is an important ingredient in canned goods, bakery products, soft drinks, and many other mixed foods. Thus, price increases for sugar permeate retail prices of many other food products.

With average prices of foods from livestock products down and those from crops up, average food prices in the fourth quarter of 1963 are expected to be about steady with the third quarter, in contrast to a normal seasonal decline of about 1 percent (cover chart).

For 1963, average retail prices of all food from livestock products, which account for about two-fifths of the total weight in the BLS All Food Index, are down somewhat from 1962. Average prices of food from crops, which make up another two-fifths of the All Food Index, are increasing by 3-4 percent. The Food-Away-From-Home Index, which comprises the remaining one-fifth of the All Food Index, is up its usual $2\frac{1}{2}$ percent. So, in total, the All Food Index for 1963 is up about $1\frac{1}{2}$ percent from 1962.

FOOD CONSUMPTION PER CAPITA

Food consumption per capita in 1963 is up about half of 1 percent from 1962, the largest increase since 1959. 1/ It is a substantial rise when compared with the 4 percent total increase since 1947-49. The increase is traced to a

1/ Consumption of various food products are aggregated on a retail price-weighted index basis to reflect economic importance of shifts among food products.

rise in consumption of animal products; consumption of food from most crops declined (table 2).

Total red meat consumption per capita in 1963 is estimated at about 170 pounds, up 6 pounds or 4 percent from 1962 (table 3). Most of the increase is in beef consumption, up to a record 95 from 89 pounds in 1962. Consumption in the final quarter of the year may be up by 3 pounds per capita from the year-earlier quarter if cattle marketings increase as expected. Veal consumption is down about a half pound for the year, as more animals are being marketed as mature beef. Pork consumption is running below a year earlier in the final quarter but for 1963 is expected to total about 1 pound more than the 64 pounds per capita in 1962. Lamb and mutton consumption is remaining near 5 pounds per capita.

For 1964, total meat consumption per capita likely will remain around high 1963 levels. The large increase in beef consumption in 1963 is not expected to be repeated in 1964, but some rise may be forthcoming. Pork consumption is not expected to differ markedly from 1963, but may be down somewhat.

Fish consumption is declining in 1963. Imports the first 8 months of the year were off from a year earlier for most major species, but exports were larger. Cold storage stocks on October 1, 1963, were 8 percent above a year earlier.

Chicken consumption per capita in 1963 is up slightly from 1962, but consumption of turkey is a little lower due to low frozen stocks at the beginning of the year. So in total, poultry consumption per capita is about steady with last year. The 1964 outlook is for some continued small rise in chicken consumption, but stability in turkey consumption.

Egg consumption per capita is declining in 1963 by 2-3 percent from last year. Consumption per capita in 1962 was about 17 percent below 1950. Production in the fourth quarter is rising seasonally and is running ahead of last year. Next year's outlook is for per capita consumption to be near that of 1963.

Average consumption per capita of all dairy products in 1963 is holding about steady with last year's level. Some declines are occurring for fluid whole milk and cream, condensed and evaporated milk, and cottage cheese. But declines are being offset by increases in consumption of cheese, ice cream, fluid skim milk, and nonfat dry milk solids. Milk production for the year is down, but supplies are large enough to maintain stable consumption per capita and expand exports; storage stocks are down. The level of consumption per capita of dairy products is about 10 percent below the 1947-49 average, but butter is down 44 percent and other dairy products down only 6 percent. Average consumption per capita of all dairy products in 1964 likely will drop slightly below current levels.

Per capita consumption of fats and oils in 1963 is running about 2 percent below 1962. Lard is down about half a pound and butter is off fractionally. Margarine consumption is continuing a slight increase, but salad and

Table 3.--Apparent civilian per capita consumption of major food commodities, primary distribution weight, calendar years, 1947-49 and 1957-59 averages, 1960-62 and estimates for 1963, with precentage comparison 1/

Commodity	Average 1947-49	Average 1957-59	1960	1961	1962	1963 Preliminary	1963 as a percentage of 1947-49	1963 as a percentage of 1957-59	1963 as a percentage of 1962
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Percent	Percent	Percent
Meats (carcass weight) - Total	148.5	156.6	161.4	161.0	163.7	169.9	114	108	104
Beef	65.6	82.1	85.2	88.0	89.1	95.1	145	116	107
Veal	9.7	7.1	6.2	5.7	5.5	5.0	52	70	91
Lamb and mutton	4.8	4.4	4.8	5.1	5.2	4.9	102	111	94
Pork (excluding lard)	68.4	63.0	65.2	62.2	63.9	64.9	95	103	102
Fish (edible weight) - Total	10.5	10.5	10.3	10.7	10.5	10.2	97	97	97
Fresh and frozen	6.0	5.8	5.7	5.9	5.7	2/	---	---	---
Canned 3/	3.9	4.1	4.1	4.3	4.3	2/	---	---	---
Cured	.6	.6	.5	.5	.5	2/	---	---	---
Poultry products									
Eggs (farm basis) - Number	385	356	334	326	324	316	82	89	98
Chicken (ready-to-cook)	18.7	27.5	28.2	30.3	30.1	30.6	164	111	102
Turkey (ready-to-cook)	3.3	6.0	6.2	7.5	7.1	6.8	206	113	96
Dairy products									
Total milk fat solids	29.5	25.6	24.5	24.0	23.8	23.7	80	93	100
Total nonfat milk solids	42.9	44.1	43.9	43.2	43.1	43.4	101	98	101
Cheese	7.0	7.9	8.4	8.6	9.1	9.3	133	118	102
Condensed and evaporated milk	20.1	14.8	13.8	13.3	12.5	12.0	60	81	96
Fluid milk and cream	359	337	325	314	311	310	86	92	100
Ice cream (product weight)	18.7	18.4	18.3	18.0	17.9	18.0	96	98	101
Fats and oils - Total, fat content 4/	42.4	45.3	45.4	45.3	46.7	45.5	107	100	97
Butter, farm and factory (actual weight)	10.6	8.2	7.5	7.4	7.2	7.0	66	85	97
Margarine (actual weight)	5.6	8.9	9.4	9.5	9.3	9.4	168	106	101
Lard	12.4	9.3	7.7	7.7	7.2	6.7	54	72	93
Shortening	9.6	11.4	12.6	12.8	13.5	13.2	138	116	98
Other edible fats and oils	7.3	10.8	11.5	11.2	12.7	12.3	168	114	97
Fruits									
Fresh (farm weight) - Total	132.1	98.8	97.5	92.0	89.0	83.3	63	84	94
Citrus	54.8	33.5	33.3	30.4	29.1	22.1	40	66	76
Apples (commercial)	25.5	21.6	20.1	18.6	19.5	19.9	78	92	102
Other (excluding melons)	51.8	43.7	44.1	43.0	40.4	41.3	80	95	102
Processed:									
Canned fruit	18.9	22.5	22.9	23.5	23.1	22.6	120	100	98
Canned juice	15.9	13.8	13.9	13.1	12.8	13.8	87	100	108
Frozen (including juices)	3.2	8.6	9.1	8.9	9.7	8.5	266	99	88
Dried	3.9	3.3	3.1	3.1	3.1	3.3	85	100	106
Vegetables									
Fresh vegetables and melons (farm weight) 5/	147.9	129.4	131.7	129.9	126.2	125.7	85	97	100
Fresh vegetables	120.5	104.3	106.0	105.1	102.9	102.0	85	98	99
Melons	27.4	25.1	25.7	24.8	23.3	23.7	86	94	102
Canned	39.1	44.5	44.5	44.7	46.1	46.3	118	104	100
Frozen	2.9	8.2	9.8	10.0	11.6	12.1	417	148	104
Potatoes (farm weight) 6/	114	103	102	102	99	99	87	96	100
Sweetpotatoes (farm weight) 6/	12.6	7.2	6.3	5.6	6.4	6.1	48	85	95
Dry edible beans	6.7	7.7	7.3	8.0	8.1	7.6	113	99	94
Sugar, refined	95.2	96.1	97.6	97.8	97.2	97.2	102	101	100
Grains									
Corn products: Cornmeal	12.9	7.7	7.4	7.2	7.0	6.8	53	88	97
Corn sirup	9.9	9.4	10.2	10.6	11.5	12.0	121	128	104
Cornstarch	1.8	1.9	1.8	1.8	1.8	1.8	100	95	100
Corn sugar	4.2	3.6	3.7	3.7	3.9	4.2	100	117	108
Breakfast cereals	1.5	1.8	1.8	1.8	1.8	1.8	120	100	100
Hominy	2.8	2.9	3.0	3.0	3.0	3.0	107	103	100
Oat food products	3.3	3.5	3.5	3.5	3.5	3.5	106	100	100
Barley food products 7/	1.6	1.0	1.0	1.0	1.0	1.0	62	100	100
Wheat:									
Flour 8/	137	120	118	118	115	115	84	96	100
Breakfast cereals	3.2	2.8	2.7	2.7	2.6	2.6	81	93	100
Rye flour	1.4	1.2	1.2	1.1	1.1	1.1	79	92	100
Rice, milled	4.9	5.6	5.9	5.9	6.2	6.4	131	114	103
Beverages									
Coffee 9/	18.2	15.8	15.8	15.9	15.9	16.2	89	103	102
Tea	.58	.60	.60	.60	.68	.68	117	113	100
Cocoa beans	4.1	4.0	4.1	4.4	4.1	4.3	105	108	105
Peanuts (shelled)	4.4	4.6	4.9	4.9	5.0	5.1	116	111	102

1/ Quantity in pounds except for eggs which are stated in number. Data on calendar year basis except for dried fruits, which are on pack year basis; fresh citrus fruits, dry field peas, and peanuts on a crop year basis and rice on August 1 year. All years begin in the year indicated except for fresh citrus, which begins in October of the previous year, and rice, which begins in August of previous year. Data for Alaska and Hawaii are not incorporated except in fish statistics. 2/ Not available. 3/ Excludes canned food products containing small quantities of fish, such as clam chowder, etc. 4/ Computed from unrounded data. 5/ This series covers total commercial production for sale as fresh, both for shipment to distant markets and for local markets. Excludes farm garden output for farm household use. 6/ Quantities canned and frozen excluded; included with processed vegetables. 7/ Barley used for food products in terms of malt equivalent. 8/ Includes white, whole wheat, and semolina flour. 9/ Green bean basis.

Population estimates used to obtain per capita consumption figures are official Census estimates of civilian population for 48 States, except for fish statistics.

cooking oils are down half a pound. The 1964 outlook is for per capita consumption to remain about steady with 1963's 45½ pounds (fat content). Consumption of vegetable oils may increase; animal fat consumption may decline further.

Fruit consumption per capita is down rather sharply in 1963 compared with 1962, mostly for citrus fruit, and currently is at the lowest level in 20 years. Fresh fruit consumption is off about 6 percent and canned fruit consumption is down 2 percent. Frozen juice consumption is down almost 20 percent, but canned juice use is up 8 percent with more pineapple juice being used in fruit drinks. Dried fruit consumption is running slightly ahead of 1962. Prospects for next year point to some recovery in consumption of fresh fruits. Citrus consumption will likely increase a little, but is expected to remain well below levels of recent years. The consumption of canned fruits and all juices likely will be below 1963 levels.

In total, per capita consumption of vegetables in 1963 is running about the same as in 1962. Slight declines in fresh consumption are being offset by modest rises in processed items. Fresh tomato consumption is down but tomato juice is up slightly. Consumption of frozen vegetables is up about half a pound from 1962. The outlook for 1964 is for little change, or some slight rise in consumption of vegetables, particularly for processed items.

Potato consumption in 1963 is up 1 pound per capita from 1962 because of an increase in processed potatoes, but sweetpotato consumption is down slightly. Per capita consumption of dry edible beans is down slightly from 1962. Tree nuts are up considerably, with pecan supplies up sharply from the 1963 light crop. These items are expected to show little or no change in consumption in 1964.

Cereal product consumption per capita in 1963 is about steady with last year. Little change is taking place in wheat flour and no important change is foreseen for 1964. Total supply of food grains continues to exceed domestic food use by a large margin.

Consumption of sugars and sirups is usually very stable on a per capita basis. Despite price gyrations, a fractional rise in consumption of all sugars and sirups is occurring in 1963. Per capita consumption increases of 4 percent for corn sirup and 7 percent for corn sugar are being made in 1963, but these items are minor compared with cane and beet sugar. Consumption of all sugars and sirups in 1964 likely will be about steady with 1963.

Imports of coffee in 1963 are running somewhat higher than in 1962; consumption per capita probably will be slightly higher for the year. Imports of cocoa are down so far this year because of rising world prices, but per capita consumption will be about maintained during 1963 by drawing down record-high stocks. Tea consumption this year likely will be about unchanged from 1962; imports are running near those of last year.

FOOD EXPENDITURES

Total Expenditures

Additional increases in food expenditures are in prospect for 1964, in line with the stepup expected in disposable income. The gain may exceed this year's 3 percent rise. Expenditures are totaling around $76 billion in 1963, excluding alcoholic beverage expenditures of about $11 billion. The second and third quarters of the year fell a little short of the annual rate. But expenditures are expected to rise in the fourth quarter.

Total food expenditures typically rise more slowly than disposable income--about two-thirds as fast in recent years. For this reason the increase in food expenditures during 1963 is accounting for around 15 cents of each dollar's increase in total disposable income during the year. Yearly increases in food expenditures have averaged only 15 percent of annual increases in disposable income since 1947, implying an income elasticity of food expenditures of less than one. As a result, food expenditures have trended downward as a proportion of disposable income. (See cover chart of August NFS.) At 19 percent in 1963, the proportion may decline slightly more in 1964.

Expenditures for U.S. Farm Foods

Total civilian expenditures for foods originating on U.S. farms in 1963 are rising 4 percent above 1962, up almost as much as disposable income. These expenditures omit imported foods, fish and other seafoods, home-produced food, and food furnished the armed forces.

The farm value of U.S. farm food expenditures in 1963 is about steady with last year, while the marketing bill (which includes processing) is rising about 6 percent. As a proportion of disposable income, the farm value is down to nearly 5 percent and the marketing bill is up slightly, but remains between 11 and 12 percent of disposable income as it has for the past decade. Farm value has declined rather steadily from 8.8 percent of disposable income in 1951.

Unit charges for marketing farm products are up about 4 percent in 1963, about twice the annual average rate from 1953 to 1962. They are expected to go up again in 1964, but not as much as in 1963 when retail meat prices failed to decline as much as did farm prices. Operating costs and profits of food marketing firms are increasing this year. Average hourly earnings of food marketing employees likely will continue upward in 1964. Prices of some raw industrial materials bought by marketing firms have firmed recently, and strength in other prices may be developing. Transportation costs are likely to be about the same as in 1963, or a little lower.

Retail Food Store Sales

Retail food store sales, about 90 percent of which are made by grocery stores, in the first 3 quarters of 1963 exceeded the year-earlier period by 3 percent. The first quarter of the year was up more than either the second or

third quarters. Sales increased rather slowly during the year. The seasonally adjusted average for the second quarter of 1963 was steady with the first quarter; the third quarter rose 2 percent. Month-to-month variation was unusually sharp. September sales declined 2½ percent from the high months of July and August and were about equal to year-earlier sales.

Sales by eating and drinking places in the first 3 quarters of 1963 were 5 percent ahead of the same months of 1962. The rate in the third quarter was below that of the first 2 quarters. Sales by eating places increased slightly more than sales by drinking places.

Commodity Makeup of Grocery Store Sales

An annual survey of grocery store sales was reported by the trade publications, "Food Topics" and "Food Field Reporter." They reported that meat accounted for over one-fifth of total sales in 1962 (fig. 2). About 12 percent

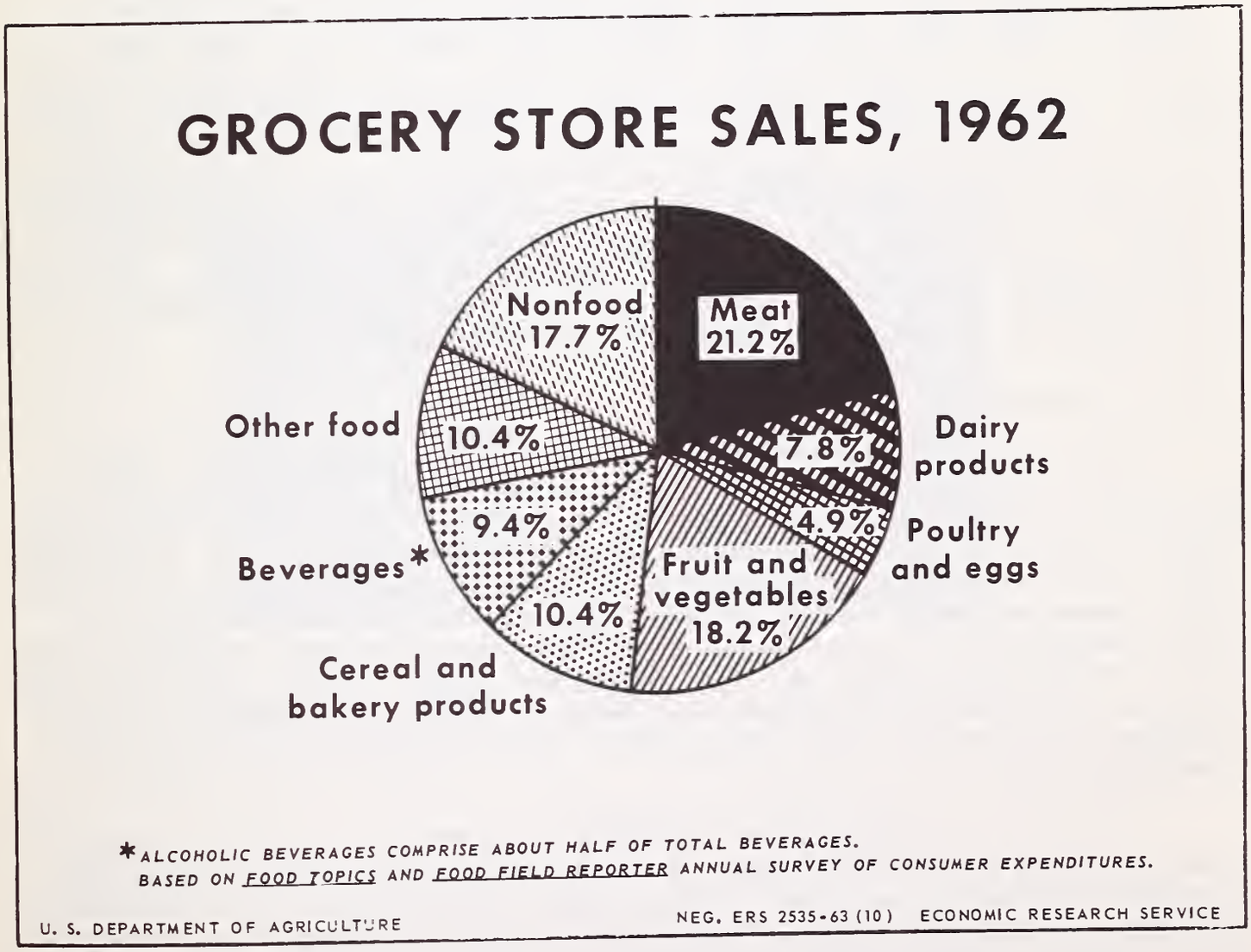
GROCERY STORE SALES, 1962
Meat 21.2%
Dairy products 7.8%
Poultry and eggs 4.9%
Fruit and vegetables 18.2%
Cereal and bakery products 10.4%
Beverages* 9.4%
Other food 10.4%
Nonfood 17.7%
*ALCOHOLIC BEVERAGES COMPRISE ABOUT HALF OF TOTAL BEVERAGES.
BASED ON FOOD TOPICS AND FOOD FIELD REPORTER ANNUAL SURVEY OF CONSUMER EXPENDITURES.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 2535-63 (10) ECONOMIC RESEARCH SERVICE

Figure 2

of total sales were for fresh meat, another 9 percent for ham, bacon, and other processed meats. Four percent went for poultry meat and 1 percent for eggs. Nearly 8 percent of total sales was made up of dairy products, half of which was for milk.

Fruits and vegetables (including potatoes) made up 18 percent of total sales--10½ percent for fresh produce, 1½ percent for frozen fruits, fruit juices, and vegetables, 5 percent for canned fruits and vegetables, and 1 percent for dried. Cereal and bakery products and beverages each accounted for another large segment of total sales. About half of beverage sales consisted of coffee, cocoa, tea, and soft drinks; alcoholic beverages accounted for the other half. Other food products--including fish, candy, sweeteners and flavors, fats, shortening, and dressings--made up about a tenth of total sales. Nonfood items made up almost 18 percent of total grocery store sales, about 1 percentage point more than in 1961. They include household supplies, tobacco products, and health and beauty aids among other things.

According to this private survey, grocery stores sold an estimated 50 percent of the total value of domestic consumption of all food products in 1962. Grocery stores were defined to exclude specialty food stores such as meat markets, dairy stores, bakeries, etc. The total value of domestic consumption was measured in terms of retail food store prices, but it included consumption in restaurants, hospitals and other institutions, and other away-from-home eating places, and home-produced food. It was estimated that grocery stores sold only 33 percent of the total value of dairy products consumed and only 26 percent of the eggs. However, they sold 63 percent of the total value of fresh produce and 78 percent of the canned foods. They also sold 31 percent of the total value of all tobacco products and 76 percent of the bottled and canned beer for off-premise consumption.

Cost of Convenience Foods

Cost comparisons of the so-called convenience foods and their home-prepared counterparts were made in a study conducted by the U.S. Department of Agriculture, Comparative Costs of Convenience Foods to the Consumer, Marketing Research Report No. 609. This study showed that 73 percent of the convenience foods studied were more expensive than their home-prepared counterparts. Even though fewer in number, the less expensive convenience foods outweighed the more expensive ones in total sales value. For each $100 spent for food in the grocery store, $14.03 was spent for convenience items. A cost of $15.10 would have been incurred by the housewife if these items had been prepared from the component foods, and no value was placed on the additional labor needed for home preparation.

A portion of this decrease in cost was attributed to efficiencies of mass processing and merchandising. A number of these convenience foods are marketed in concentrated forms, such as frozen concentrated citrus juices and dry milk products that weigh much less than if marketed fresh, thus savings may be made in transportation, storage, and reduced perishability.

SUPPLY AND USE OF FARM PRODUCTS

Domestic use of farm products in 1963 is exceeding 1962 by about 2 percent (table 4 and fig. 3). Total food consumption is up about 2 percent with per capita consumption up about half of 1 percent (table 2). Nonfood use of farm products is about steady with last year in total. But, per capita use continues the postwar downtrend. Exports of farm products may total 7 percent higher this year; the fourth quarter is expected to be up sharply from a year earlier. Exports of wheat, soybeans, and tobacco are increasing. Some further increases in imports also are occurring. For some products, notably for processing, increases are substantial. With total use of food crops and dairy products up more than new supply, stocks are being reduced during 1963. However, some buildup of stocks of nonfood crops, principally cotton, is anticipated.

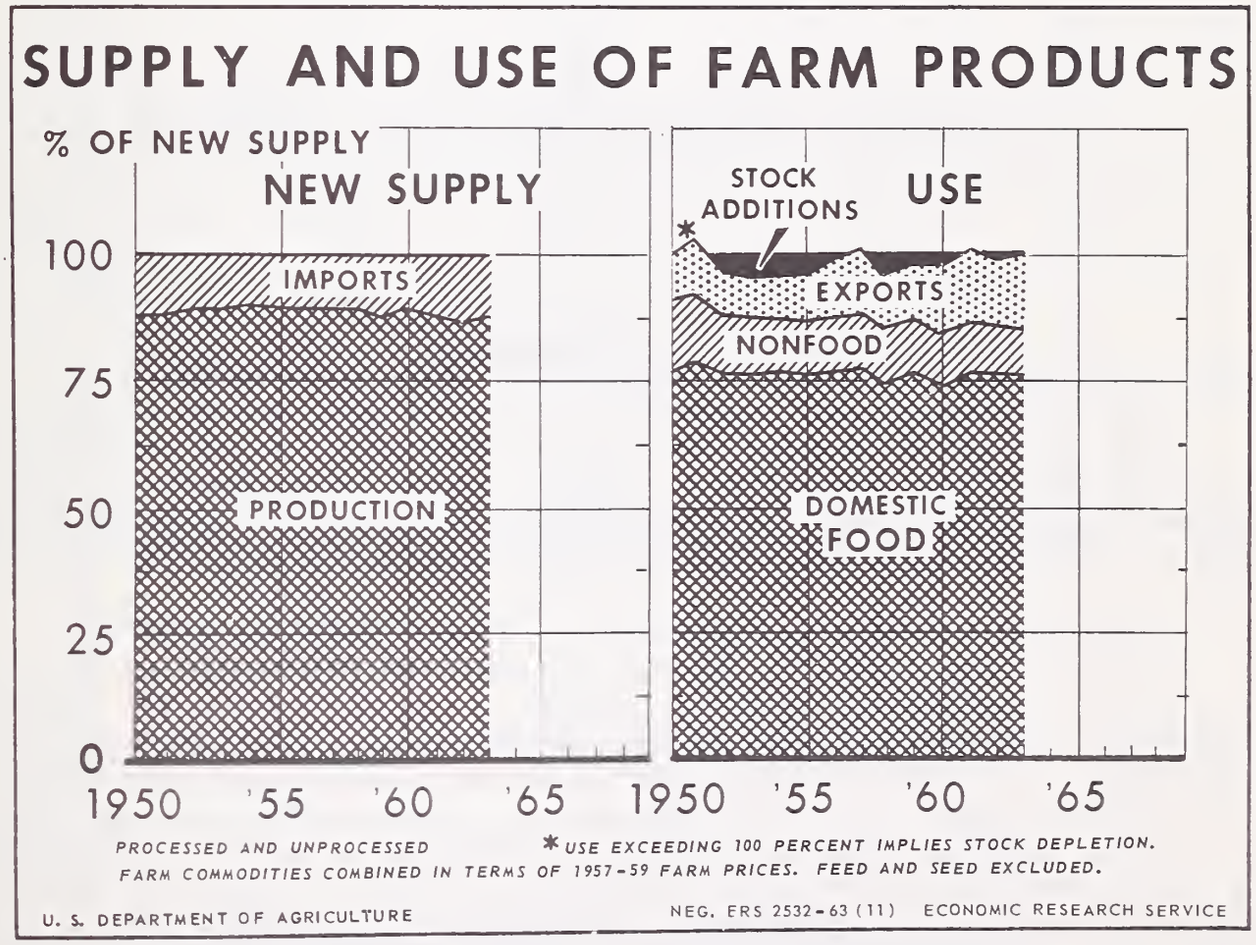

Figure 3

Table 4.--Index of net supply-utilization of farm commodities, 1947-49 and 1957-59 averages, and 1950-63 1/

Year	Net production 2/	Net imports 3/	Stock change 4/	Net utilization	Domestic use			Exports and shipments
					Food		Net nonfood 6/	
					Civilian	Military 5/		
			Section a. Percentage of net utilization in each year					
1947-49	91.4	11.5	-2.9	100.0	75.1	3.3	13.2	8.4
1957-59	90.2	11.6	-1.8	100.0	76.0	1.4	10.9	11.7
1950	87.3	12.4	.3	100.0	75.2	1.7	14.2	8.9
1951	85.4	11.6	3.0	100.0	72.7	3.4	13.3	10.6
1952	91.6	11.6	-3.2	100.0	75.8	2.5	12.5	9.2
1953	92.9	12.0	-4.9	100.0	77.0	2.3	12.7	8.0
1954	93.5	10.6	-4.1	100.0	77.5	2.0	11.6	8.9
1955	93.0	11.0	-4.0	100.0	77.1	1.7	11.9	9.3
1956	90.1	10.8	-.9	100.0	75.3	1.6	11.5	11.6
1957	88.4	10.7	.9	100.0	75.0	1.4	10.7	12.9
1958	93.2	11.4	-4.6	100.0	76.6	1.5	10.8	11.1
1959	89.4	12.7	-2.1	100.0	76.1	1.4	11.3	11.2
1960	90.5	11.6	-2.1	100.0	74.4	1.2	10.6	13.8
1961	87.8	12.1	.1	100.0	74.5	1.4	10.5	13.6
1962	88.1	12.9	-1.0	100.0	74.7	1.4	10.7	13.2
1963 7/	87.4	12.6	---	100.0	74.2	1.3	10.3	14.2
			Section b. Percentage of net utilization in 1957-59					
1947-49	78.0	9.8	-2.5	85.3	64.0	2.8	11.3	7.2
1957-59	90.2	11.6	-1.8	100.0	75.9	1.4	10.9	11.8
1950	76.2	10.8	.3	87.3	65.6	1.5	12.4	7.8
1951	76.6	10.4	2.7	89.7	65.2	3.0	12.0	9.5
1952	81.5	10.3	-2.8	89.0	67.5	2.3	11.1	8.1
1953	83.6	10.8	-4.4	90.0	69.3	2.1	11.4	7.2
1954	84.9	9.6	-3.8	90.7	70.3	1.8	10.5	8.1
1955	88.1	10.4	-3.8	94.7	73.1	1.6	11.2	8.8
1956	90.2	10.8	-.9	100.1	75.4	1.6	11.5	11.6
1957	88.4	10.8	.9	100.1	75.1	1.4	10.7	12.9
1958	91.2	11.1	-4.4	97.9	75.0	1.4	10.6	10.9
1959	91.2	12.9	-2.1	102.0	77.7	1.4	11.5	11.4
1960	95.6	12.3	-2.2	105.7	78.6	1.3	11.2	14.6
1961	94.4	13.0	.1	107.5	80.2	1.5	11.2	14.6
1962	95.8	14.0	-1.1	108.7	81.2	1.5	11.7	14.3
1963 7/	97.7	14.1	---	111.8	82.9	1.5	11.5	15.9

1/ The term "net" in this table means that commodities used for feed and seed are excluded to avoid double counting. Developed from quantitative data on supply and use of processed and unprocessed farm products, valued in terms of farm prices (1947-49 prices prior to 1955; 1957-59 prices thereafter). For description of basic procedure see Agriculture Handbook No. 91, Measuring the Supply and Utilization of Farm Commodities. 2/ Excludes feed and seed used from domestic production. 3/ Excludes imports for seed and feed use. 4/ Includes farm and commercial stocks and holdings under Government programs. Negatives indicate increases in stocks from beginning to end of year; positives signify withdrawals from stocks. 5/ Includes civilian feeding in areas occupied by our Armed Forces. 6/ Excludes feed and seed; includes some waste and loss at farm level. 7/ Preliminary.

Farm marketings of all products used for food in 1963 are exceeding 1962 by 3 percent, but home consumption is down again (table 1); in total they are up 2 percent. Home consumption of both livestock and crop products in 1963 is only about half that of 1947-49. Farm marketings of both livestock and crop products are rising, but food crops are increasing a little more than livestock marketings. Food grain marketings, only part of which are consumed domestically, are up about 9 percent; marketings of sugar from U.S. farms are up 20 percent; but, fruit and vegetable marketings are down.

Expectations for 1964 point to supply increases about in line with the population growth. Food consumption per capita is expected to remain about steady. Nonfood use per capita may decline further. Exports again are expected to show substantial gains and imports may be up modestly. By the end of 1964, stocks of most farm products likely will be reduced from year-earlier levels.

FOREIGN TRADE

The value of exports of agricultural products in the first 8 months of 1963 were 3 percent above a year earlier. Exports of animal products were up by 5 percent -- both dairy and red meat products were up sharply, poultry meat was down substantially. Grain exports, making up nearly half of total exports of agricultural products, were up only $1\frac{1}{2}$ percent. Wheat and flour exports were up 9 percent, but feed grains were down. Oilseeds, principally soybeans, were up 15 percent. Exports of cotton were down 11 percent. The value of exports of agricultural products in the first 8 months totaled $3.4 billion, 30 percent greater than total imports.

For calendar year 1963, total value of exports of agricultural products is expected to exceed 1962 by perhaps 7 percent. The greatest increase is in wheat, expected to be up sharply in the final quarter of the year partly because of Europe's reduced crop. Other sizable increases are likely for soybeans and tobacco. Exports of feed grains may be down from last year's high level and the average for all livestock products is expected to be about steady with 1962.

The value of total imports of agricultural products in the first 8 months of 1963 was up $3\frac{1}{2}$ percent from the same period of 1962. About the same increase is expected for the entire year. Imports of animal products so far this year were up 7 percent from a year earlier; the largest increase was for meat products, up 14 percent. Total imports of animals and animal products in January-August 1963 were valued at $591 million, 39 percent above the comparable export value of $425 million. About four-fifths of the $100 million increase in value of competitive crop imports was in cane sugar, which was up 26 percent from a year earlier, mostly because of higher prices. The value of noncompetitive crop imports in the first 8 months of 1963 was down 5 percent from the year earlier period. Value of coffee imports, the largest single imported item, was down 8 percent, partly because of lower prices.

The outlook for 1964 is for a continued rise in exports of agricultural products. The rise from 1963 to 1964 is expected to be about as large as the rise from 1962 to 1963, on a calendar year basis. The largest increases are expected in the last half of 1963 and the first half of 1964. Substantial

increases are anticipated for both wheat and cotton exports. Exports of soybeans, edible vegetable oil,and butter (including butter oil) also may expand further. The value of imported agricultural products in 1964 also is expected to continue upward, perhaps at the rate of 3-5 percent. Some price firming of tropical commodities is anticipated, in contrast to past weakness.

Export sales of agricultural products for foreign currency accounted for 21 percent of total value of exports of agricultural products in the 12 months ended June 30, 1963. Nearly all of these sales were made under Title I, Public Law 480, the balance under A.I.D. programs. Wheat and wheat flour sales accounted for nearly two-thirds of these foreign currency sales. Other P.L. 480 programs, accounting for 9 percent of total exports, went principally for famine and other emergency relief and foreign donations to needy persons. Wheat and wheat flour, nonfat dry milk, feed grains, and vegetable oils were major commodities exported under these programs.

SEASONALITY IN RETAIL FOOD PRICES 1/

There are three general kinds of price variations over time: secular, seasonal, and irregular. Secular trends are those that persist rather steadily from year to year. These changes may be associated with changes in the general price level. Or they may reflect underlying shifts in demand.

Seasonal price changes are more-or-less regular variations around the secular price trend. They are associated with changes in production, supplies of competing products, and seasonal variations in demand throughout the year. Foods that are relatively more abundant at a certain time of the year normally decline in price during that period. Declines in retail prices usually lag declines in farm prices, although often the length of time it takes is roughly that required to move food through the marketing pipeline. Seasonal price rises reflect costs of storage over time, transportation costs of bringing similar products from remote areas, or higher costs of inducing production during off-season, either locally or in some other area.

Irregular price changes are more sporadic than either of the first two. They may reflect abnormal weather conditions, labor strikes, speculative activity, or a host of other unpredictable forces that are bound to occur in a free market. They are the result of local and short-run and gyrations in the matching of supply and demand.

The Bureau of Labor Statistics recently published Indexes of Seasonal Variation associated with retail prices for selected items in the Consumer Price Index. 2/ Seasonal variations were computed for the All Food and Food at Home Indexes and for 28 food items (table 5). They were derived from weighted averages of price changes that occurred in previous years. 3/

Our cover chart shows the seasonal variation in the price index of all food purchased for use at home. The annual peak in the Index of Seasonal Variation is reached in midsummer and declines until late fall, during the period most crops are harvested and livestock marketings are heavy. Seasonal variations in prices of meats, fruits, and potatoes contribute to this pattern. The summer peak is quite sharp, but the low of the year stretches over the winter

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1/ Stephen J. Hiemstra, Agricultural Economist, Economic and Statistical Analysis Division, ERS.

2/ Seasonal Factors. Consumer Price Index: Selected Series, June 1953-May 1961. U. S. Dept. of Labor, Bul. 1366. May 1963, 47 pp.

3/ The computational procedure involved a series of successive approximations of the secular (T), seasonal (S), and irregular (I) components of price variation (V), assuming V = TSI. A centered 12-month moving average gave a first approximation of T. Each month's original price divided by T gave SI. Five-year weighted moving averages of SI for the same month in consecutive years yielded the first estimate of S. Seasonals for each month were forced to 100 over the year. Then, SI/S = I. A weighted 7-month moving average of I was computed to remove residual T. This residual multiplied by the first estimate of T gave T_2. Second and third iterations of the above procedure gave T_3, S_3, and I_3 for each month of the 8-year period, June 1953-May 1961. Standard deviation was estimated as 0.6 I_3.

Table 5 .--Indexes of seasonal retail price variation for selected food products

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Standard deviation
All food	99.5	99.5	99.5	100.1	100.1	100.8	101.2	100.3	100.2	100.0	99.6	99.5	.2
Food at home	99.4	99.3	99.4	100.1	100.1	101.0	101.4	100.4	100.2	100.0	99.5	99.4	.2
Meats, poultry, and fish	98.8	99.0	99.3	100.3	100.5	101.5	102.2	101.3	100.8	99.5	98.4	98.1	.3
Meats	98.7	98.5	98.6	99.9	100.3	101.7	102.1	101.5	101.2	100.0	98.7	98.3	.4
Beef and veal	99.8	99.8	99.8	100.8	100.8	100.6	100.7	99.9	99.9	99.7	99.0	98.9	.4
Round steak	99.4	99.3	99.3	100.6	100.6	100.7	101.1	100.5	100.6	100.2	99.3	98.8	.4
Pork	97.5	97.1	97.1	99.1	100.1	102.9	104.2	103.6	102.7	100.4	97.8	97.1	.7
Pork chops, center cut	96.6	95.5	95.9	98.7	98.7	103.9	105.5	103.4	103.9	101.9	99.1	96.4	.9
Ham, whole	100.3	99.4	99.9	99.4	100.6	101.9	102.1	101.3	99.3	98.3	97.8	100.1	.6
Lamb, leg	98.7	98.3	99.1	100.7	101.0	103.0	101.8	99.8	99.9	99.5	99.6	98.8	.6
Poultry, frying chickens	98.7	101.5	103.7	103.1	101.5	101.5	103.7	101.1	99.0	95.7	95.8	95.1	.6
Fish	100.4	100.6	100.2	100.4	100.2	99.8	99.7	99.6	99.4	99.6	99.8	100.0	.1
Fish, fresh or frozen	100.6	101.1	100.6	100.5	100.4	99.8	99.5	99.2	99.3	99.4	99.9	99.9	.2
Eggs	101.1	96.6	95.9	93.7	89.5	88.0	94.9	100.8	111.0	112.0	110.0	106.5	1.7
Dairy products	100.8	100.6	100.1	99.3	98.8	98.5	99.1	99.6	100.5	101.0	100.9	101.0	.1
Milk, fresh (grocery)	101.0	100.8	100.3	98.8	98.2	97.8	98.9	99.7	100.8	101.3	101.5	101.4	.1
Butter	100.4	100.0	99.7	99.5	99.2	99.0	98.8	98.8	100.4	101.1	101.2	101.6	.3
Cheese, American process	100.8	100.8	100.5	100.0	99.8	99.8	99.8	99.3	99.3	99.5	99.8	100.1	.1
Fruits and vegetables	98.1	98.6	99.0	102.1	103.5	107.2	105.0	99.7	96.8	96.6	96.7	97.1	.6
Fresh fruits and vegetables	97.3	98.1	98.6	103.3	105.4	111.0	107.6	99.3	94.8	94.6	94.8	95.6	1.0
Apples	88.3	90.9	95.0	102.8	112.4	129.6	134.4	105.4	93.7	81.7	80.7	85.4	1.1
Bananas	101.1	99.6	98.9	95.0	97.1	100.5	97.0	100.4	101.0	106.6	101.9	100.9	1.1
Oranges	90.6	90.5	92.0	97.0	97.3	100.8	104.6	106.3	109.6	110.7	105.5	94.6	1.5
Lemons	104.7	102.6	101.0	99.1	98.3	95.6	95.1	95.4	99.3	100.9	103.1	105.0	.8
Peaches	---	---	---	---	---	---	104.3	93.7	102.0	---	---	---	1.9
Strawberries	---	---	---	115.9	97.6	86.5	---	---	---	---	---	---	1.9
Grapes, seedless	---	---	---	---	---	---	129.0	93.2	85.9	93.5	98.5	---	2.1
Watermelons	---	---	---	---	---	135.8	87.2	77.0	---	---	---	---	2.3
Potatoes	95.2	97.2	98.9	106.6	111.5	113.5	115.9	101.9	90.2	87.0	89.9	92.0	2.6
Sweetpotatoes	95.0	97.6	99.5	100.2	104.3	110.5	118.4	118.8	94.1	85.5	85.9	90.3	1.0
Onions	91.8	97.5	106.3	115.9	115.3	109.9	107.2	103.2	92.3	86.5	86.4	87.5	3.4
Carrots	103.6	98.0	95.2	94.3	95.3	99.5	103.9	105.4	101.7	100.4	100.1	102.7	1.2
Cabbage	113.1	112.9	108.8	106.4	109.8	102.1	93.7	87.7	86.7	88.7	88.9	101.3	2.6
Tomatoes	119.4	113.2	113.0	122.4	122.1	102.6	91.5	69.4	64.0	77.1	89.2	116.1	4.1
Beans, green	119.6	132.4	123.5	110.4	104.5	81.4	79.9	74.3	80.8	86.9	101.9	104.4	4.5
Shortening, hydrogenated	100.2	98.7	99.2	100.1	100.1	100.0	100.5	100.7	100.5	99.6	99.9	100.3	.3

Compiled from Seasonal Factors, Consumer Price Index: Selected Series, June 1953-May 1961 Bureau of Labor Statistics Bul. No. 1366, May 1963.

months. The range from high to low is about 2 percent; each extreme exceeds 2 standard deviations from 100 (s.d. = 0.2 percent, as indicated by half the width of the shaded area in the chart). This variation may seem small until it is pointed out that in the last 5 years (1957-62) the Food at Home Index rose only 5 percent, or 1 percent per year. The range within the year was greater than the secular trend from year to year. As a result, seasonal changes in food prices may easily be confused with secular trends if monthly prices are not seasonally adjusted.

Retail food prices have been rather erratic in 1963. The BLS Food at Home Index dropped 0.7 percent between January and May but then jumped 2.3 percent from May to July. Part, but not all, of these movements were seasonal. On a seasonally adjusted basis, the July price level was below that of any of the first 3 months of the year, even though the reported (unadjusted) price was $1\frac{1}{2}$ percent higher. Sometimes, seasonally adjusted prices move in a different direction from reported prices. For example, between July and August reported prices declined, but the decline was less than expected, so the seasonally adjusted price rose. The sharp decline from August to September in the reported price was partly seasonal. The Index of Seasonal Variation suggests that nearly a 1 percent decline in average prices normally can be expected between September and the end of the year.

The range of seasonal variation in the Food at Home Index declined during the 8 years observed. Prices in the summer months no longer exceed the annual average as much as they did in the first years studied. Prices in the winter months are not as far below the annual average as they were previously. The transitional months of October and May remained near the annual average.

The All Food Index has slightly less seasonal variation than its Food at Home component because the Food Away From Home part shows little variation. The All Food Index has the same pattern as the Food at Home Index and it appears to be statistically significant, judging from the size of its standard deviation.

Retail price changes within the year for most major food product groups normally have the same general pattern as that of the Food at Home Index -- high in summer and low in the winter months. But many differences exist among products and product groups in timing, amplitude, and size of standard deviations of their Indexes of Seasonal Variation.

The seasonal variation of beef and veal lessened over time. The fall of the year shifted from a pronounced high to the lowest seasonal price period of the year. The high of the year now comes in early summer, but the Index of Seasonal Variation at that time equals only 2 standard deviations from 100, so no great importance is attached to seasonality for beef and veal (fig. 4 and table 5). However, seasonality of certain cuts of beef, for example seasonality for the price of round steak, appears to be meaningful. It shows a seasonal high price in midsummer reflecting steak demand and a low at yearend when roasts are in relatively greater demand. Leg of lamb prices show a sizable seasonal change. The pattern is rather similar to that of beef, reflecting its related demand. The seasonal high in lamb prices is reached when spring lambs come on the market.

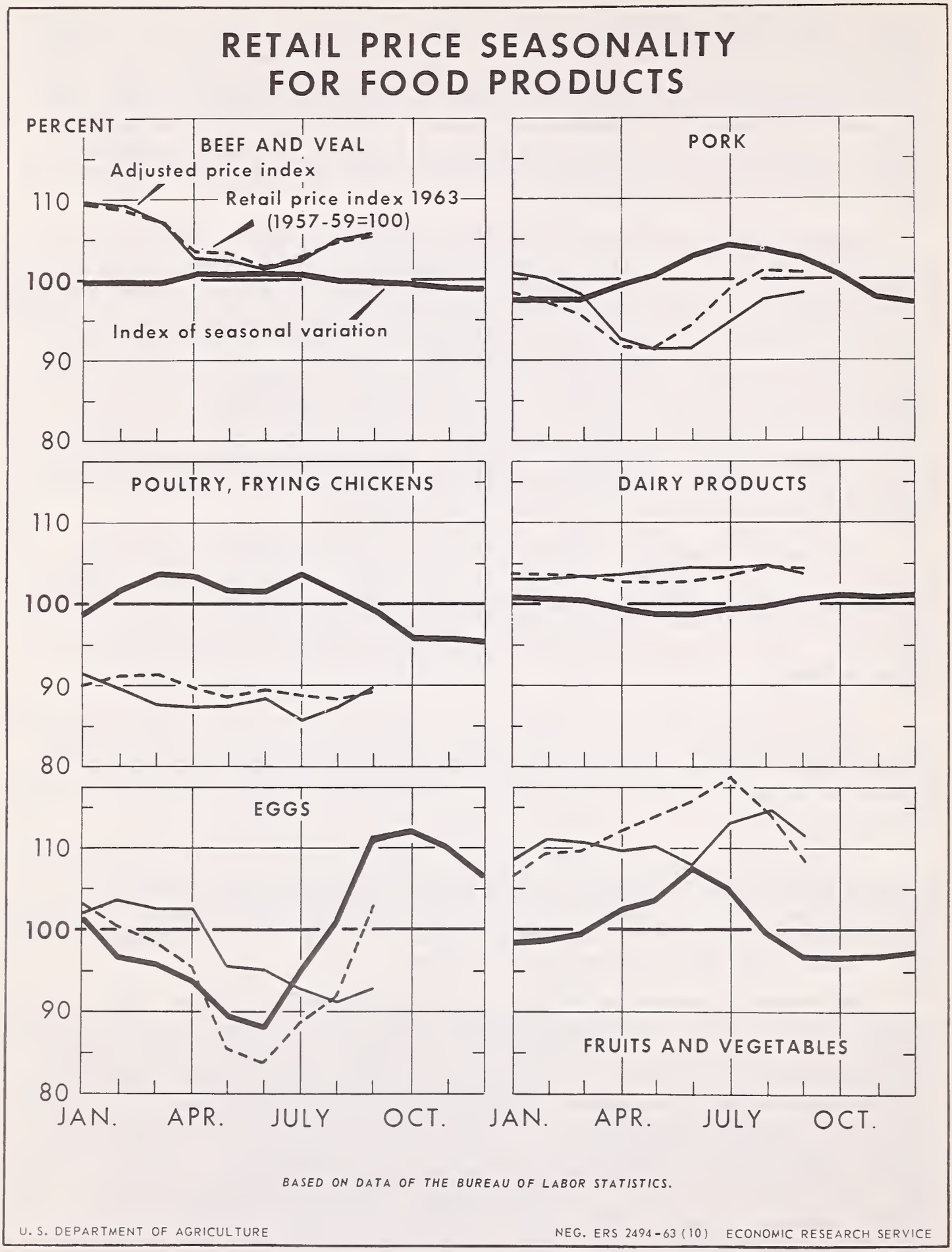
RETAIL PRICE SEASONALITY
FOR FOOD PRODUCTS
PERCENT
BEEF AND VEAL
Adjusted price index
Retail price index 1963
(1957-59=100)
Index of seasonal variation
PORK
POULTRY, FRYING CHICKENS
DAIRY PRODUCTS
EGGS
FRUITS AND VEGETABLES
110
100
90
80
JAN.
APR.
JULY
OCT.
BASED ON DATA OF THE BUREAU OF LABOR STATISTICS.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 2494-63 (10) ECONOMIC RESEARCH SERVICE

Figure 4

A strong within-year variation is present in retail pork prices, both in total and for pork chops (fig. 4). The high is reached in midsummer and the low during the winter months following rather precisely the pattern of the Food at Home Index, but it has a much wider range. Ham prices follow the same general seasonal pattern as all pork, but variations are not nearly as large as for pork chops. There was a sharp decline in the magnitude of price seasonality for pork during the 8 years compared. The summer high no longer comes quite as early. The low that previously came in late fall is now broadened into the winter months. These trends reflect more even year-around pig farrowings.

Price seasonality of frying chickens is unusual. There is a double peak peak -- one in the spring of the year and the other in midsummer (fig. 4). Both now have about the same amplitude, whereas in earlier years the spring peak was more modest. The summer peak has remained about the same, while the spring peak has increased. Both highs well exceed 2 standard deviations from 100. The low of the year remains at yearend when demand is seasonally low.

Seasonality of retail egg prices is the most pronounced of any of the livestock products compared (fig. 4). Seasonality in retail egg prices departs from the typical pattern. The lowest point of the year is in early summer when supplies are large. The highest point in price is in late fall following reduced production.

Average retail fish prices don't exhibit a great deal of seasonal variation, but they are significant judging from the size of the standard deviation. The high is reached in late winter and early spring when the catch is low. The low extends from late summer to fall. Fresh and frozen fish as a group have a somewhat stronger seasonal than the average for all fish.

Dairy product prices do not fluctuate much (fig. 4). Like egg prices, the low point of the year prices is in early summer when production is seasonally high. Fresh milk prices follow about the same seasonal pattern as the average of all dairy products, except that fluctuations are somewhat greater. The summer low point in prices is a little later for butter than for fluid milk, and later for cheese than it is for butter.

Marked seasonality is present in retail prices of fruits and vegetables (fig. 4). As a group, the high price of the year is reached in midsummer and the low in late fall and early winter months, thereby adding to the variation in the Food at Home Index. The average price of fresh fruits and vegetables gyrate seasonally more than the average price of all fruits and vegetables, implying less seasonality for processed items. Also, the combination of fruits and vegetables distorts the seasonal pattern for most vegetables, which normally reach their lowest point of the year in late summer and highest in winter.

The high in June and July for apple prices reaches about one-third above the average for the year, and the within-year variation has become increasingly intense over the 8 years compared. Fresh peaches, strawberries, grapes

(seedless), and watermelons are only priced by BLS during their seasons of greatest production. But seasonal price variations appear very large in relation to standard deviations. The introduction of these fruits into the index only during certain months contributes to the strong seasonality for fruits and vegetables as a group. For each of these 4 fruits, the seasonal high month was the first month reported, when production was seasonally light -- April for strawberries, June for watermelons, and July for peaches and grapes.

Orange and banana prices normally peak in late summer and reach their low point in late winter or spring. Lemon prices are seasonally high in midwinter and low in midsummer. Bananas and lemons did not exhibit strong variation, but seasonality for oranges was sizable. Within-year price changes were getting stronger for both bananas and lemons but receding for oranges during the 8-year study.

Retail potato prices are at their highs for the year in early to midsummer and then decline rather sharply to seasonal lows in late summer and fall when supplies are large. Sweetpotato prices follow nearly the same seasonal pattern as potato prices, except they hit their summer high about 1 month later than potato prices, and then drop even more sharply in late fall. The within-year high point for each item moved about 1 month later in the summer during the 8-year period observed. Seasonal price variation of each declined noticeably during this period.

The seasonal high point in retail prices of onions shifted sharply during the 8 years -- from midsummer back to spring -- but the size of annual fluctuation remained about the same. Late fall and winter, when supplies are large, remained the seasonal low point for prices. However, sizable variations exist from year to year in the seasonal high and low points. Carrot price seasonality is bimodal. A secondary high is reached in midwinter with a primary high in late summer. The summer high represents a forward shift during the 8 years. Tomato and cabbage prices are seasonally high in late winter and late summer when production is high for both vegetables. Green bean prices reach their high about 1 month later than the other 2 vegetables and their within-year lows are about 1 month earlier in summer. All 3 of them now exhibit greater price changes within the year than they did during the early part of the 8-year study.

COMMODITY REVIEWS

Meat

Total meat consumption per person this year likely will average about 170 pounds per person compared with 163.7 pounds in 1962. Next year, per capita consumption may average about the same as in 1963 with an increase in beef being largely offset by reduction in pork, veal, and lamb and mutton (fig. 5).

Red meat prices at retail this year are averaging slightly below 1962. Beef and veal prices have reflected the increase in supply and are down a little. Prices for pork are off but for lamb are up slightly from a year earlier (fig. 6).

Beef consumption during the fourth quarter this year likely will average close to 3 pounds above the 22.0 pounds per person a year earlier, if farmers carry out fourth quarter marketing plans. The increase in the fourth quarter supplies of beef will result largely from heavy marketings of fed cattle. Retail beef prices, however, are expected to decline only modestly in the final 3 months of 1963.

The outlook is for per capita beef consumption to increase again in 1964 though much less than the 6 percent indicated for 1962 to 1963. The largest gain over a year earlier may be in the first quarter, reflecting continued expansion of feedlot finishing. Retail beef prices in 1964 likely will average a little under those in 1963, with the widest margin under a year earlier in the first quarter. Consumption of veal in the fourth quarter may be a little below the same quarter in 1962, but about the same as in the third quarter of 1963. In recent years, veal consumption per capita has trended downward. Retail prices for veal next year likely will not change much from 1963 rates.

Per capita pork supplies in the fourth quarter of 1963 may not reach the 16.7 pounds of October-December 1962, but will be above the third quarter this year. Retail pork prices are expected to decrease seasonally in the fourth quarter and average below prices in the same months a year earlier.

Per capita pork consumption next year likely will be a little below the 65 pounds this year, with consumption falling below 1963 rates in the second and third quarters. Farrowings during the months that supply the bulk of the slaughter hogs during the last 3 quarters of the year are expected to be down 1-2 percent. Most of the decrease probably will come in the last half of the year. Prices of pork at retail in 1964 may average slightly higher.

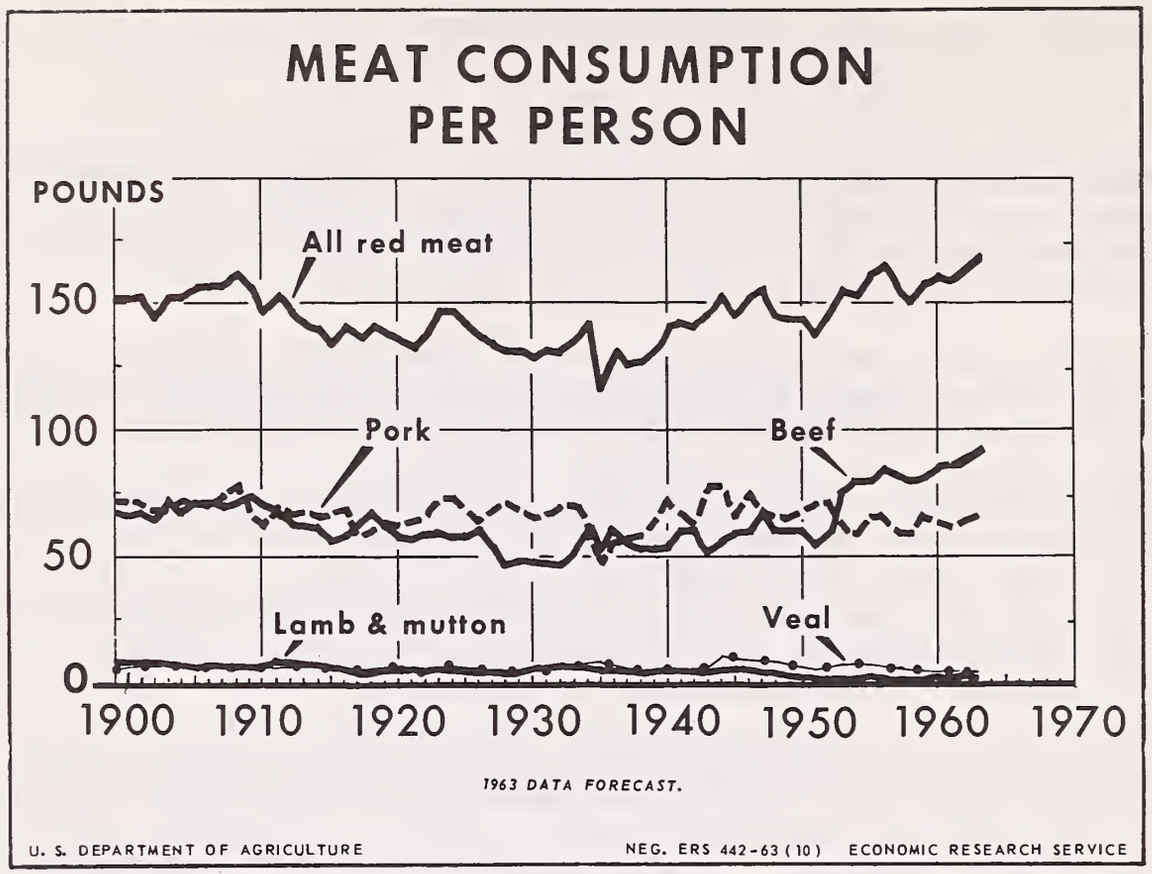

Figure 5

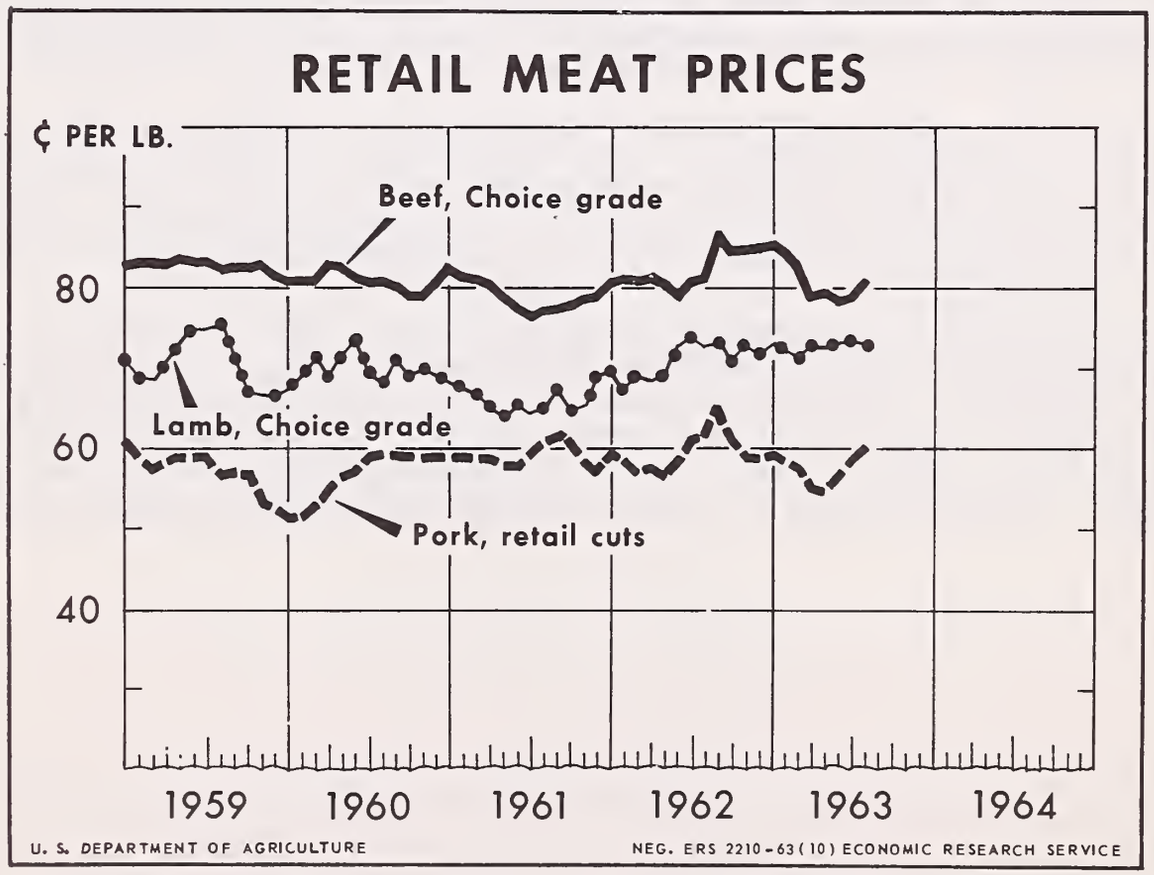

Figure 6

Lamb and mutton consumption in the fourth quarter this year will average about the same as the previous quarter and the final quarter of 1962. Lamb likely will be priced at retail below the fourth quarter of 1962, partly the result of larger supplies of competing meats. Consumption of lamb and mutton, close to 5 pounds per person this year, likely will decline somewhat next year. Retail lamb prices probably will average very close to 1963 prices; highest prices likely will be recorded about midyear.

Fishery Products 1/

It is expected that total U. S. catch of fishery products during 1963 will be somewhat lower than last year. During the first 8 months this year, total landings were down about 13 percent from a year earlier. However, cold storage holdings of edible fishery products on October 1, 1963, were 224 million pounds, about 17 million larger than on the same date in 1962. The next few months will represent a season of normal decline for landings of fish and shellfish.

Imports of edible fish through August 1963 were down about 6 percent from a year earlier. There was a 2.2 percent decrease in value of imports. Sharp decreases occurred in imports of canned tuna in brine, canned salmon, canned sardines in oil, and frozen tuna. Increases occurred in canned sardines not in oil, frozen shrimp, ocean perch fillets, fresh swordfish, and canned crabmeat. Continued decrease in total imports is expected for the remainder of 1963.

Wholesale fish prices in September 1963 were almost 11 percent lower than a year earlier. Retail prices were down only slightly. But there were sharp decreases in prices for fresh and frozen shrimp and for most canned fish products. During the next few months, prices will likely remain about stable.

Per capita consumption through the remainder of 1963 and in early 1964 probably will be down from a year earlier.

Poultry

Chicken

Per capita consumption of chicken in 1963 is estimated at a record 30.6 pounds on a ready-to-cook basis compared with 30.1 pounds in 1962. Production of broilers, which will account for about 86 percent of all chicken this year, is estimated about 4 percent above 1962.

During the first 9 months of 1963 about 6 percent more young chickens (mostly broilers) and 5 percent more mature chickens were slaughtered under Federal inspection than a year earlier. In the fourth

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1/ Prepared by the Bureau of Commercial Fisheries, Fish and Wildlife Service, U. S. Department of the Interior.

quarter broiler production will be declining seasonally but probably will total about the same as a year earlier.

Broiler production next year probably will begin increasing seasonally in January and continue upward to a peak in the early summer as it did in 1963. Recent hatchery activity indicates broiler output in early 1964 will be about the same as a year earlier. Production may continue near 1963 levels through midyear. An expansion in production may be discouraged by relatively abundant supplies of beef.

Turkey

Per capita consumption of turkey for 1963 is expected to be down to 6.8 pounds from 7.1 last year. The 1963 turkey crop is up slightly from 1962, but frozen turkey stocks at the beginning of the year were nearly 60 million pounds smaller than on January 1, 1962. Turkey supplies during the coming holidays are also expected to be below a year earlier. Although stocks of frozen turkey had gone above year earlier levels by October 1, smaller farm marketings during the last quarter are expected to be more than offsetting. Throughout 1963, farm turkey prices were a little higher than in 1962 and are likely to continue higher through the remainder of the year.

This year, as in 1962, USDA purchases of frozen ready-to-cook turkey for the National School Lunch Program totaled 44 million pounds, about the same as in 1962, and represented slightly more than 3 percent of the crop.

Stocks of frozen turkey at the start of 1964 will probably be down from January 1, 1963. Turkey production during the first quarter next year also is expected to be smaller. Consequently, prices in early 1963 are likely to continue a little higher than a year earlier. For 1964 as a whole, a turkey crop somewhat larger than in 1963 is in prospect, but lower beginning stocks and rising population will probably preclude any rise in per capita consumption.

Eggs

Per capita consumption in 1963 is about 316 eggs, or 8 less than in 1962. Retail prices for eggs are averaging 2-3 percent above year-earlier levels and are running a little higher than anticipated earlier. The demand for eggs has been in a downtrend since the early 1950's, but there are signs that the decline may be moderating. Between 1950 and 1962, per capita consumption declined 17 percent while retail egg prices, adjusted for the declining purchasing power of the dollar, dropped 28 percent.

Egg production in the fourth quarter is increasing seasonally and will reach a peak next spring. Production during this period is expected to continue above year-earlier levels. A higher rate of lay through early 1964 and a larger laying flock during the second quarter is expected to account for most of the increase. Egg production in prospect for 1964, however, probably will not be large enough quite to maintain the civilian per capita consumption rate of 1963.

Retail egg prices are likely to open 1964 lower than a year earlier but the spring to fall rise may be greater than in 1963. For all of next year, egg prices likely will average a little lower than this year.

Dairy Products

Supplies of milk are increasing seasonally from fall lows, but fourth quarter supplies will average slightly below 1962. Per capita supplies of milk will be about 2 percent below the year-earlier level. Current milk supplies are more nearly in line with commercial needs than a year earlier; CCC purchases in recent months have been quite light.

Per capita consumption of milk in all forms in 1963 is expected to be about the same as in 1962. However, consumption per person from the commercial sector may slightly exceed 1962. Retail prices for dairy products rose seasonally from midyear levels but for 1963 will average slightly below 1962. Expected 1964 prices will change little from this year's levels.

Little change appears in prospect for milk production in 1964. The expected 1963 output of 125 billion pounds is nearly 1 percent below 1962. A further decline in cow numbers is expected, but some increase in production per cow is likely.

Per capita consumption of milk and dairy products will probably be close to the 636 pounds in 1962. An increase of 5 percent in milk equivalent, distributed as butter and cheese from CCC supplies, failed to offset the continuing fall in farm use of milk as the number of persons on farms with milk cows continued to decline. Next year consumption per person of all milk and dairy products may decline in line with the 10-pound average downtrend from 1957 to 1962. Continued heavy donations from CCC stocks for domestic welfare programs are in prospect next year.

Per capita consumption of fluid milk and cream from all sources in 1963, estimated at 310 pounds, is about the same as in 1962. The decline has averaged 7 pounds since 1957, but per capita sales of fluid products are increasing over 1962. Less milk is being used on farms, however, as the farm population declines. School programs will again use over 5 billion half-pints of milk in 1963, about 5 percent of fluid milk use from all sources.

Prospects for 1964 are that the downtrend in consumption per person of fluid products, which started in 1957, will continue, although consumption of low-fat and fluid skim products is increasing. Use of cream is continuing a long-time decline. Average retail prices of fluid milk in the fourth quarter are expected to equal the year-earlier level. For 1963, retail prices will average slightly below last year, but 1964 prices may average about the same as in 1963.

Per capita consumption of butter in 1963 is about 3 percent below 1962. Commercial demand has again dropped significantly. CCC donations rose from 0.9 pound to 1.0 pound per capita in 1963. The downtrend in commercial demand will probably continue in 1964.

American cheese consumption per person in 1963 is about 3 percent above 1962. The gain is attributed to commercial demand for cheese, which recovered the decline of the previous year. CCC donations fell slightly this year. Consumption per person of other kinds of cheese fell.

Per capita consumption of nonfat dry milk, at 5.9 pounds, is a gain of about 5 percent above 1962. Even if a small gain occurs next year, per person usage will be below 1959-61 levels. Consumption from CCC donations is being maintained in 1963 at 1.0 pound per person.

Per capita consumption of evaporated milk in 1963 continues downward, about 6 percent below 1962. Consumption has fallen almost steadily from 18.4 pounds per capita in 1948 to 9.5 pounds in 1963. This downtrend is expected to continue in 1964.

Per capita consumption of milk solids-not-fat, at 43.4 pounds, is slightly higher this year than in 1962. Consumption of milkfat is off slightly from the 23.8 pounds in 1962. In 1964 consumption per person is expected to decline further.

Food Fats and Oils

Total supplies of food fats and oils in the 1963-64 marketing year that began October 1 are estimated at record levels, exceeding those of last season by about 3 percent (in terms of oil). Large starting stocks of edible vegetable oils and bumper 1963 soybean and cottonseed crops are mainly responsible. Despite these large availabilities, retail prices of food fat products are expected to increase slightly above year-ago levels, due primarily to good domestic demand and anticipated expansion of exports above those of last season.

Production of edible vegetable oils (cottonseed and soybean) in 1963-64 is expected to exceed that of 1962-63. Soybean oil stocks on October 1, 1963, were 50 percent above a year earlier. These stocks, plus output from a record high soybean crush, probably will boost soybean oil supplies far above domestic requirements. Cottonseed oil supplies also will likely be up somewhat from last season and the largest since 1954-55. Slight reductions in butter and lard output are expected. However, starting stocks of butter (including butter equivalent of butter oil) on October 1 were about 2 percent higher than a year earlier and will partly offset the decrease in butter production.

Rising population and per capita consumption at the long-term annual rate of around 46 pounds (fat content) are expected to increase domestic disappearance of food fats and oils by an additional 125-150 million pounds above

that of last year. Based on the above indications, supplies available for export will exceed those of a year earlier.

Exports of food fats, including soybeans, again are expected to set record highs. Exports in 1963-64 may surpass last season by 15 percent. This expansion is anticipated in commercial sales and P.L. 480 shipments. The greater part of this increase will be in the form of edible vegetable oils. A record volume of soybean exports for dollars is expected, although the tight soybean supply situation may serve to brake this movement. Butter exports (mostly in the form of butter oil and ghee) may increase significantly over last year. Lard exports may about equal those of 1962-63.

Total per capita consumption of the major food fat commodities in calendar 1964 will likely average close to the historical level of around 46 pounds (fat content). Use of butter and lard are expected to be down from 1963 levels while use of margarine, shortening, and cooking and salad oils will likely increase.

Retail prices of most food fat products in January-September 1963 averaged slightly below a year earlier. Shortening and margarine were down 6 percent and 4 percent, respectively; lard and salad dressings each declined about 1 percent. Beginning this fall, a strengthening of prices is anticipated with generally higher levels prevailing in 1964.

Peanut supplies during the 1963-64 marketing year that began August 1 are estimated 5 percent above last season. The 1963 peanut crop was estimated on November 12, 1963, at 1,922 million pounds compared with 1,810 million a year earlier. Civilian consumption of peanuts in 1963-64 is expected to average around 5.1 pounds (shelled basis) per capita compared with 5.0 pounds in 1962-63. Peanut supplies are in excess of probable food and farm use, CCC likely will acquire around one-fifth of the 1963 crop under the support programs. Prices to growers are expected to average around 11.2 cents per pound, about the same as last season.

Fruit

Prospective supplies of fresh and processed fruits the remainder of this fall and the first half of 1964 are moderately smaller than in this period of 1962-63. However, supplies of fresh oranges may be more plentiful next spring and extend further into the season than a year earlier. Among deciduous fruits, supplies of pears will be unusually light for the rest of the 1963-64 marketing season. But supplies of tree nuts will be up considerably. Dried fruits are more plentiful than in 1962-63.

Continued relatively high retail prices, generally above year-earlier levels, are in prospect for most fresh and processed fruits from now until mid-1964. If the prospective larger crop of Florida Valencia oranges

materializes, however, retail prices of fresh oranges and orange juice may not average as high next winter and spring as last. Prices for tree nuts, especially pecans, are down from last season.

Total supplies of fresh citrus fruit are expected to be somewhat smaller during late fall and winter than a year earlier. The Florida early and mid-season orange crop is a third below last year because of last winter's freeze. This reduction is only partly made up by expected increases in other States. For next spring and summer, prospects point to larger supplies of Valencia oranges than a year earlier. Prospective supplies of Florida seedless grapefruit, which are used extensively fresh, are somewhat larger than a year ago. But supplies of "seeded" grapefruit, which are mostly processed, are down sharply. Increases in 1963-64 are expected in lemons and tangerines.

Retail prices for fresh citrus fruit this fall have been above relatively low year-earlier levels. But after January 1, they probably will average somewhat below the unusually high prices of last winter and spring.

Remaining supplies of 1963-crop fresh deciduous fruit for use from now until next spring appear moderately smaller than a year earlier. Supplies of apples for fresh use after January 1 are expected to be lighter in eastern and central States, but heavier in western States, than in the first half of 1963. Because of the short crop, remaining supplies of fresh pears are much lighter than a year ago. Supplies of fresh cranberries will be seasonally heavy until January 1. Supplies of fresh grapes will depend much upon the volume of Emperors harvested and stored.

Retail prices for most of the remaining supplies of 1963-crop deciduous fruits probably will be a little above year-earlier levels, except for much higher pear prices.

Bananas, an important part of our fresh fruit supply, may be more plentiful this winter than last, when shipping difficulties halted deliveries at U.S. ports.

Per capita consumption of canned fruits in 1964 probably will fall a little below the 23 pounds of recent years. Prospective supplies from now until next summer are moderately smaller than a year earlier. Carryover stocks of most items last summer were smaller than a year earlier, and nearly all 1963-64 packs so far reported are below 1962-63. Reduced packs include such items as cherries, clingstone peaches, fruit cocktail, and Hawaiian pineapples. A sharp reduction is expected in the pack of canned pears. The pack of applesauce, not yet completed, may approach the near-record of 1962-63. The packs of apricots and freestone peaches are up from 1962-63.

Retail prices for canned fruits, some of which have increased since last spring, are expected to average somewhat higher than a year earlier from now until next summer.

Supplies of frozen deciduous fruits and berries in prospect from now until next summer are moderately smaller than in this period of 1962-63. Much

of the decrease consists of sour cherries and strawberries, results of reduced 1963 packs. Retail prices for frozen fruits and berries for the rest of the 1963-64 marketing year probably will average somewhat above year-earlier levels.

Fruit juices (canned, frozen, and chilled, as a group) are expected in somewhat smaller volume than a year earlier from now through next spring. The reduction will be mostly in citrus juices.

During 1963, emphasis in production of Hawaiian pineapple juice appears to have been in making canned and frozen concentrated juices, which are used with other fruit juices in juice drinks. Output and use of fruit drinks has increased considerably following greatly reduced supplies of processed citrus juices after last winter's freeze.

Since early 1963, retail prices of canned and frozen citrus juices and fruit juice drinks have increased considerably. These prices may ease somewhat by next spring if the prospective increase in the Florida Valencia orange crop materializes, leading to larger output of frozen orange concentrate.

Prospective supplies of dried fruits for the current season are moderately above 1962-63, due mainly to much heavier raisin output. Supplies of dried prunes are expected to be down, and those of most minor dried fruits probably also will be down somewhat. Per capita consumption of dried fruits in 1963-64 may slightly exceed the 3.1 pounds in 1962-63.

Unusually large supplies of edible tree nuts are in prospect for the 1963-64 season. The 1963 U. S. crop of almonds, filberts, walnuts, and pecans is much larger than in 1962. The pecan crop is record high. Imports of cashews are expected to be up and those of Brazil nuts may be little different from 1962-63. Lower retail prices for pecans constitute the major change in prospect for tree nut prices in 1963-64. Per capita consumption of edible tree nuts has been about 1.6 pounds, kernel basis, in recent years.

Vegetables

Supplies of canned and frozen vegetables into mid-1964 probably will be slightly smaller than the record a year earlier. Supplies of fresh vegetables are declining and will be seasonally low during the winter. Potato supplies this fall and winter will be larger than a year earlier, but fewer sweetpotatoes will be available.

Retail prices for fresh vegetables during the fall months are averaging above a year earlier. But prices during the winter may be lower than a year earlier, when adverse weather disrupted harvests. Average retail prices for frozen vegetables and most canned items are expected to be close to last season's low levels. Prices for potatoes through the winter are likely to be nearly the same as a year earlier but higher prices are in prospect for sweetpotatoes.

Total production of late fall fresh market vegetables is moderately smaller than a year ago, with materially smaller supplies of cabbage, carrots, and celery more than offsetting larger output of broccoli, cucumbers, Brussels sprouts, and tomatoes. Remaining supplies of fall lettuce are the same as last year. Retail prices of most fresh vegetables are expected to remain above those of a year earlier into early winter.

Per capita consumption of processed vegetables in 1963 is a little larger than last year. With abundant supplies, consumption into mid-1964 is likely to continue near 1963's high level. Total canned vegetable supplies into mid-1964 are slightly smaller than the record volume of a year earlier. Supplies of tomatoes, lima beans, and sauerkraut, are smaller than a year ago. Sweet corn supplies are a little below last season but substantially larger than the recent 5-year average. However, supplies of snap beans, beets, and most tomato products appear to be about the same as last season. Frozen vegetable supplies into mid-1964 are a little smaller than a year earlier, but every major item is in ample to heavy supply.

With large supplies, consumers again this season are finding prices attractive for processed vegetables. Wholesale prices for canned tomatoes, lima beans, snap beans, and sauerkraut are slightly above a year ago. These increases are likely to result in higher retail prices this season. Relatively low retail prices continue for other canned items. Prices for frozen vegetables are averaging close to last year's levels. Little change from current price levels is expected into spring, 1964.

Supplies of potatoes for fall and winter marketing are slightly larger than a year ago. Production of fall crop potatoes is 2 percent larger than in 1962 and 10 percent above the recent 5-year average. With supplies heavy, retail prices through the winter are expected to average close to the levels of a year earlier. Per capita consumption of potatoes in all forms in 1963 is up 1 pound from last year, with processed items increasing their share of the total. Supplies of potatoes and potato products in 1964 are expected to be adequate to maintain about the present rate of consumption.

Supplies of sweetpotatoes into the spring of 1964 are smaller than a year earlier. The 1963 crop was down 11 percent from 1962 but about the same as the 1957-61 average. Retail prices are expected to rise seasonally during the winter months. With reduced supplies, prices probably will average at least moderately higher than a year earlier.

Supplies of dry edible beans into mid-1964 are expected to be moderately above a year earlier. All classes of dry beans are in ample to heavy supply and retail prices are likely to continue near current levels. Consumption per person of beans in 1963 is a little lower than a year earlier. Prospects point to the 1964 consumption rate holding near current levels.

Food Products From Grain

The supply of food grains continues to run well in excess of domestic food requirements. Per capita consumption of wheat, rye, and rice in calendar 1964 will be little different from this year. Prices for wheat in the second half of 1964 will probably be substantially below 1963. The loan rate for 1964-crop wheat, is currently slated to be reduced to about $1.25 per bushel from $1.82 for the current crop. However, the price of bread and baked goods will probably continue a long-term uptrend, since the price of wheat is only a small portion of the retail price.

Prices of rice and rye in 1964 will probably be little different from those of 1963 although rye prices may tend to rise slightly because of the much smaller crop. However, prices of products made from these cereals may be about the same as in 1963.

The demand for corn sugar and corn sirup increased in recent years with declining world production and rising domestic prices of cane sugar. The 1963 per capita consumption of corn sugar is rising to about 4.2 pounds, 7 percent above 1962. Consumption of corn sirup is about 12 pounds per capita, 4 percent more than in 1962. Per capita consumption of corn sugar has risen about 30 percent during the past 6 years and corn sirup has gone up 35 percent. Per capita consumption of these products in 1964 is expected at least to be maintained at the current high level, and some further increase may occur.

Consumption of cornmeal has trended downward for a number of years, declining from over 20 pounds per capita just prior to World War II to the current rate of about 7 pounds. Much of the decline was in consumption by farm households. In the 1930's about 30 million bushels of corn was used in farm households, principally for cornmeal, but annual consumption now amounts to less than 2 million bushels. Consumption of oat and barley food products is comparatively small. Annual consumption of oatmeal and other oat food products averages about 3.5 pounds per capita and the consumption of barley malt for food about 1 pound. Consumption of these products is expected to continue at these rates in 1964.

Prices of food products made from corn and oats have tended to increase in recent years with rising costs of processing and distribution. Retail prices of corn flakes and cornmeal rose about 2 percent from September 1962 to September 1963 and the retail prices of rolled oats increased about 1 percent. Prices of these products probably will show further small advances in 1964.

Sugar

Reduced world production of sugar, largely in Cuba, Europe, and the USSR has caused prices in the world sugar market in 1963 to rise substantially above those of prior years.

USDA actions under the U. S. sugar quota system have been effective in assuring consumers of supplies fully adequate to meet their needs in 1963 and in providing record high level stocks of sugar in this country at the end of 1963. Nevertheless, the New York wholesale price of sugar in 1963, apparently influenced by higher world prices, was continuously above the level of a year earlier. However, sugar prices in the United States since February 1963 have been below equivalent world prices, at times by more than 2 cents per pound. Prior to 1963, prices in the United States were usually well above those in the world market.

Sugar consumption requirements (total quotas) for 1963 are 10,400,000 tons, raw value, about 600,000 tons above 1962. Since the annual increase in sugar consumption in the United States averages only about 165,000 tons per year, U. S. sugar stocks probably will increase materially by the end of 1963, if foreign countries fill their quotas and committments, which now appears likely with minor exceptions.

Prospects for 1964 world sugar supplies recently received a setback from indications of a reduced 1963 crop in the USSR and hurricane damage to sugarcane in Cuba. These factors will reduce the quantity likely to be exported from Communist countries, which averaged about 3.5 million tons per year in 1961 and 1962. The effect of reduced supplies from Bloc countries will be offset partly by some reduction in U. S. import needs next year, largely because of increased U. S. production in the beet and mainland cane areas.

Sugar supplies for U. S. consumers are expected to continue plentiful in 1964. Prices are likely to continue somewhat higher than those prevailing prior to 1963, but not as high as the peak this year. Shortages and high prices in the world market will continue to exert some upward pressure on prices in the United States.

NUTRITIONAL REVIEW 1/

An early 1964 forecast of U. S. civilian food supplies indicates that they will equal the nutritional level of 1963. Except for ascorbic acid, the amounts of nutrients furnished by the food supply in 1963 are practically the same as those in 1962. The 4 percent drop in ascorbic acid (table 6) is the result mainly of the reduced supply of citrus fruits caused by the Florida freeze in December 1962. These fruits will continue in short supply during 1964. Inasmuch as citrus fruits contribute large amounts of ascorbic acid, providing about one-fourth the total supply, it is expected that any increase in this nutrient in 1964 will be slight.

The food supply during the past 3 years (table 6) and the expectations for 1964 reveal marked stability, and indicate that the shifts in food consumption are balancing in terms of nutrients furnished, with the exception of ascorbic acid. Vegetables and fruits provide about 60 percent of the vitamin A value and 90 percent of the ascorbic acid. Although there

1/ Prepared by Berta Friend, Consumer and Food Economics Research Division, Agricultural Research Service.

Table 6.--Nutrients available from civilian consumption per capita per day 1935-39 and 1947-49 averages, 1961, 1962, and preliminary estimates for 1963, with percentage comparisons 1/

Nutrient	Unit	Average 1935-39	Average 1947-49	1961	1962	1963 preliminary	1963 as a percentage of 1935-39	1963 as a percentage of 1947-49	1963 as a percentage of 1962
Food energy	Cal.	3,300	3,250	3,180	3,180	3,190	97	98	100
Protein	Gm.	89	94	95	95	96	108	102	101
Fat	Gm.	133	142	145	147	148	111	104	101
Carbohydrate	Gm.	444	408	381	379	378	85	93	100
Calcium	Gm.	.91	1.00	.99	.98	.98	108	98	100
Iron	Mg.	14.5	17.1	16.6	16.5	16.6	114	97	101
Vitamin A value	I.U.	8,200	8,200	7,000	7,100	7,100	87	87	100
Thiamine	Mg.	1.45	1.91	1.76	1.77	1.77	122	93	100
Riboflavin	Mg.	1.85	2.28	2.24	2.24	2.25	122	99	100
Niacin	Mg.	15.9	19.5	20.5	20.5	20.8	131	107	101
Ascorbic acid	Mg.	118	117	103	105	101	86	86	96

1/ Recent changes in home gardens approximations are not incorporated. Data computed by Consumer and Food Economics Research Division, ARS, on the basis of estimates of apparent per capita consumption (retail basis), including estimates of produce of rural and urban home gardens, supplied by the Economic and Statistical Analysis Division, ERS. No deduction has been made in nutrient estimates for loss or waste of food in households or for destruction or loss of nutrients during the preparation of food. Data for iron, thiamine, riboflavin, and niacin include the amounts of those nutrients added to prepared cereals, white flour, and bread. Data for vitamin A include the amounts added in the fortification of margarine, but exclude amounts added in other foods. Other synthetic nutrients are excluded.

have been changes in the types of dairy products consumed, this food group remains the chief contributor of calcium and riboflavin, providing about three-fourths of the calcium and close to one-half of the riboflavin. Over half of the iron, thiamine, and niacin are furnished by meat, poultry, fish, and cereal products.

Although current consumption of flour and cereal products is not as great as in 1935-39 and 1947-49, their contribution of iron and the B-vitamins (thiamine, riboflavin, and niacin) remains high because of the enrichment program. Without enrichment of grain products, supplies of iron and the B-vitamins in the food supply would be at about the same level as in the mid-1930's.

ENRICHMENT AND FORTIFICATION OF FOODS, 1957-61 1/

Included in estimates of the nutritive value of U. S. civilian per capita food consumption are synthetic vitamins and iron furnished by enrichment and fortification of foods. Information for making these estimates has been obtained over the years from a series of surveys by the Bureau of the Census for USDA. A survey recently completed provides information from manufacturers and distributors of synthetic vitamins and iron for the 5-year period, 1957-61.

As the following list indicates, 1953 was the last year the industry had been asked for data on cereal enrichment.

Years surveyed:	Published in National Food Situation
1946-47 and estimated 1948	NFS-49, July-Sept. 1949
1948, 1949, and estimated 1950	NFS-54, Oct.-Dec. 1950
1950, 1951, 1952, 1953	NFS-69, August 1954

For easy comparison, the data from the 1957-61 survey have been tabulated and presented in table 7 in a form similar to that of the earlier enrichment survey data in the National Food Situation. The 1961 figures show that since 1953 there has been an increase of about 50 percent in the total amounts of enrichment ingredients produced for use in grain products. Of the ingredients used for the enrichment of flour, bread, and other bakery products, the proportion in the form of wafers and packets appears to have changed little since 1953. The proportion of bulk sales of ingredients used in preparing mixtures for other cereal products amounted to about 15 percent in 1953 compared to about 45 percent in 1961.

Heretofore, only a total estimate of the enrichment ingredients used in cereal products other than bread, other bakery products, and flour had been obtained. In the current survey, data were collected on the amounts of enrichment ingredients used in specified cereal products -- ready-to-eat and hot cereals, macaroni, rice, and cornmeal and hominy grits (table 8). In general, more of the ingredients were used in the production of ready-to-eat and hot cereals than in either macaroni, rice, or cornmeal and hominy grits.

Enrichment and fortification have added significantly to the nutritive value of the food supply for about 2 decades. Their nutritional contribution has been in the form of cereal enrichment (which added iron and B-vitamins), fortification of margarine (which added vitamin A), and the addition of vitamin D to milk. More recently there has been an upward trend in the fortification of additional food products with vitamins A and D and with ascorbic acid (vitamin C).

1/ Prepared by Berta Friend, Consumer and Food Economics Research Division, Agricultural Research Service.

Because of the increasing market for fortified foods, the current survey was extended to obtain data on the quantities of vitamins added to foods other than cereal products (table 9). Such data will provide a benchmark for analysis of future trends. This new information is not incorporated in table 6.

Even though data were collected only for a 5-year period, a comparison of 1961 with 1957 shows that the production of ascorbic acid sold for addition to fruit juices and drinks tripled, and the sales of vitamin A for addition to milk of all types doubled. Production estimates of vitamin D sold for fortification of milk show little change over the 5-year period. This vitamin has been added to milk over a long period of time, but unfortunately there are no data earlier than 1957 with which to make a comparison.

In deriving estimates of the contribution of enrichment ingredients in grain products to the U. S. civilian food supply, deductions must be made of the amounts going for noncivilian use -- for military use, for shipment to territories, and for export. Direct information on the amounts of enriched products going into these channels is not available. In making these estimates it was assumed that all military takings and shipments to territories were enriched. Certain assumptions were also made concerning wheat flour moving under the various specified Government-financed programs, which in 1961 accounted for 78 percent of the total exports of wheat flour.

After deductions were made for the synthetic vitamins and iron estimated to go into flour for noncivilian use, the remainder of the ingredients were calculated to be sufficient to enrich about 60 percent of the white flour (either as family flour, as commercial flour, or as commercially baked white bread and other bakery products) available for civilian use. This is at about the same level as during 1950-53, the period covered by the earlier survey. The production of synthetic vitamins and iron used in flour, bread, and other bakery products has apparently kept pace with increased population and has allowed for increased export of enriched cereal products.

This survey indicates again the importance of the flour and cereal enrichment program in supplying vitamins and iron for civilian consumption. It also shows the increase in consumption of synthetic vitamins through foods other than grain products. A preliminary estimate of the nutritive value of the current food supply indicates that cereal enrichment adds about one-third more thiamine, one-fifth more iron and niacin, and one-tenth more riboflavin to the Nation's diet than would be available if foods were not enriched. If the new information obtained for the quantities of ascorbic acid and vitamin A were to be incorporated into food supply estimates (table 6) the level of these nutrients would be increased by about 5 percent and 1 percent, respectively. The contribution of synthetic vitamin A from margarine is 6 percent, bringing the total amount from all synthetic vitamin A to 7 percent.

Table 7.--Use of synthetic B-vitamins and iron in the enrichment of flour, bread, other bakery products, and other cereal products, 1957-61

Type, use, and ingredients	1957	1958	1959	1960	1961
	Kilograms	Kilograms	Kilograms	Kilograms	Kilograms
1. Bulk quantities for:					
a. Use in mixes for flour (commercial or family), bread, and other bakery products					
Niacin	92,178	103,645	101,915	100,885	100,781
Thiamine	12,371	13,918	13,703	13,606	13,641
Riboflavin	7,843	8,823	8,669	8,610	8,591
Iron	80,350	90,787	89,168	83,346	86,992
b. Use in preparing mixtures for other cereal products 1/					
Niacin	59,933	72,732	70,164	79,097	78,219
Thiamine	8,748	10,123	10,570	10,837	11,240
Riboflavin	2/3,656	2/3,393	2/3,418	2/3,699	4,680
Iron	57,487	67,822	63,739	77,240	81,560
c. Total bulk quantities 1/					
Niacin	152,111	176,377	172,079	179,982	179,000
Thiamine	21,119	24,041	24,273	24,443	24,881
Riboflavin	2/11,499	2/12,216	2/12,087	2/12,309	13,271
Iron	137,837	158,609	152,907	160,586	168,552
2. Wafers and packets (including enriched salt) for use in bread and other bakery products: 3/ 4/	Number	Number	Number	Number	Number
a. Low potency riboflavin	51,613,550	51,042,963	51,724,364	50,382,375	50,949,518
b. High potency riboflavin	9,459,000	13,406,288,	13,722,252	15,204,626	15,452,756
3. Content of enrichment wafers (calculated from 2): 4/	Kilograms	Kilograms	Kilograms	Kilograms	Kilograms
Niacin	73,287	77,339	78,536	78,704	79,683
Thiamine	11,604	12,245	12,435	12,462	12,616
Riboflavin	4,464	4,780	4,856	4,895	4,957
Iron	54,965	58,004	58,902	59,028	59,762
4. Total: Bulk and wafers 1/ 4/					
Niacin	225,398	253,716	250,615	258,686	258,683
Thiamine	32,723	36,286	36,708	36,905	37,497
Riboflavin	2/15,963	2/16,996	2/16,943	2/17,204	18,228
Iron	192,802	216,613	211,809	219,614	228,314

1/ Quantities used for exported rice were not obtained.
2/ Excludes riboflavin used in the enrichment of rice to avoid disclosing figures for individual companies.
3/ Each unit enriches 100 pounds of flour.
4/ These figures exclude quantities of wafers containing riboflavin only and packets of other enrichment formulations to avoid disclosing figures for individual companies.

Survey of Enrichment and Fortification of Foods, 1957-61, Consumer and Food Economics Research Division, ARS, USDA and Bureau of the Census, Department of Commerce.

Table 8.--Use of synthetic B-vitamins and iron in preparing mixtures for cereal products other than flour, bread, and other bakery products, 1957-61

Use and ingredients	1957	1958	1959	1960	1961
	Kilograms	Kilograms	Kilograms	Kilograms	Kilograms
Total:					
Niacin	59,933	72,732	70,164	79,097	78,219
Thiamine	8,748	10,123	10,570	10,837	11,240
Riboflavin	1/3,656	1/3,393	1/3,418	1/3,699	4,680
Iron	57,487	67,822	63,739	77,240	81,560
Ready-to-eat and hot cereals:					
Niacin	19,432	23,114	25,178	27,262	26,697
Thiamine	3,368	3,865	4,468	4,458	4,594
Riboflavin	715	847	746	826	853
Iron	35,133	37,836	35,804	43,947	48,434
Macaroni:					
Niacin	13,809	15,126	15,740	16,320	17,375
Thiamine	2,135	2,340	2,435	2,524	2,687
Riboflavin	1,206	1,319	1,372	1,422	1,515
Iron	6,019	6,655	6,970	7,209	7,718
Rice: 2/					
Niacin	12,639	19,936	13,846	18,310	13,469
Thiamine	1,800	2,363	2,002	1,984	1,690
Riboflavin	1/	1/	1/	1/	577
Iron	4,425	11,142	8,039	11,634	8,072
Cornmeal and hominy grits:					
Niacin	14,053	14,556	15,400	17,205	20,678
Thiamine	1,445	1,555	1,665	1,871	2,269
Riboflavin	1,735	1,227	1,300	1,451	1,735
Iron	11,910	12,189	12,926	14,450	17,336

1/ Quantities used in enrichment of rice are omitted to avoid disclosing figures for individual companies.
2/ Quantities used for exported rice were not obtained.

Survey of Enrichment and Fortification of Foods, 1957-61, Consumer and Food Economics Research Division, ARS, USDA and Bureau of the Census, Department of Commerce.

Table 9.--Use of synthetic vitamins -- ascorbic acid, vitamin A, and vitamin D -- in selected foods, 1957-61

Vitamins and food use	1957	1958	1959	1960	1961
	Kilograms	Kilograms	Kilograms	Kilograms	Kilograms
Ascorbic acid:					
Fruit juices and fruit drinks	74,690	111,773	158,172	154,977	236,038
Flavored beverages and dessert powders	30,264	1/	1/	1/	1/
	Million Int'l units	Million Int'l units	Million Int'l units	Million Int'l units	Million Int'l units
Vitamin A value:					
Margarine	16,116,897	18,437,043	19,460,466	20,973,628	24,422,771
Milk, all types	2,330,610	3,450,177	4,110,721	4,061,426	4,868,938
Vitamin D value:					
Margarine	1,146,722	1,435,266	1,213,818	1,794,809	1,980,175
Milk, all types	5,667,917	5,686,919	5,771,756	5,555,751	6,025,490

1/ Omitted to avoid disclosing figures for individual companies.

Survey of Enrichment and Fortification of Foods, 1957-61, Consumer and Food Economics Research Div., ARS, USDA and Bureau of the Census, Department of Commerce.

WORLD FOOD SITUATION 1/

World food output in 1963-64 is expected at approximately the same level as in 1962-63. Generally increased output in many parts of the world and a record wheat crop in Canada of over 700 million bushels largely offset the smaller grain crops in Europe and reduced output in some other regions (fig. 7). Production declines in certain crops are expected to be made up in many regions by increases in other crops.

Weather conditions were highly unfavorable for 1963 grain production in much of Europe. Western Europe's adverse weather reduced yields from last year's record high and injured the quality of wheat and feed grains. Wheat imports will be substantial, but imports of feed grains by western Europe will be influenced by the increased availabilities of home-grown feed-grade wheat, and the extent to which the feeding value of grain was reduced.

1/ Prepared by the Regional Analysis Division, ERS.

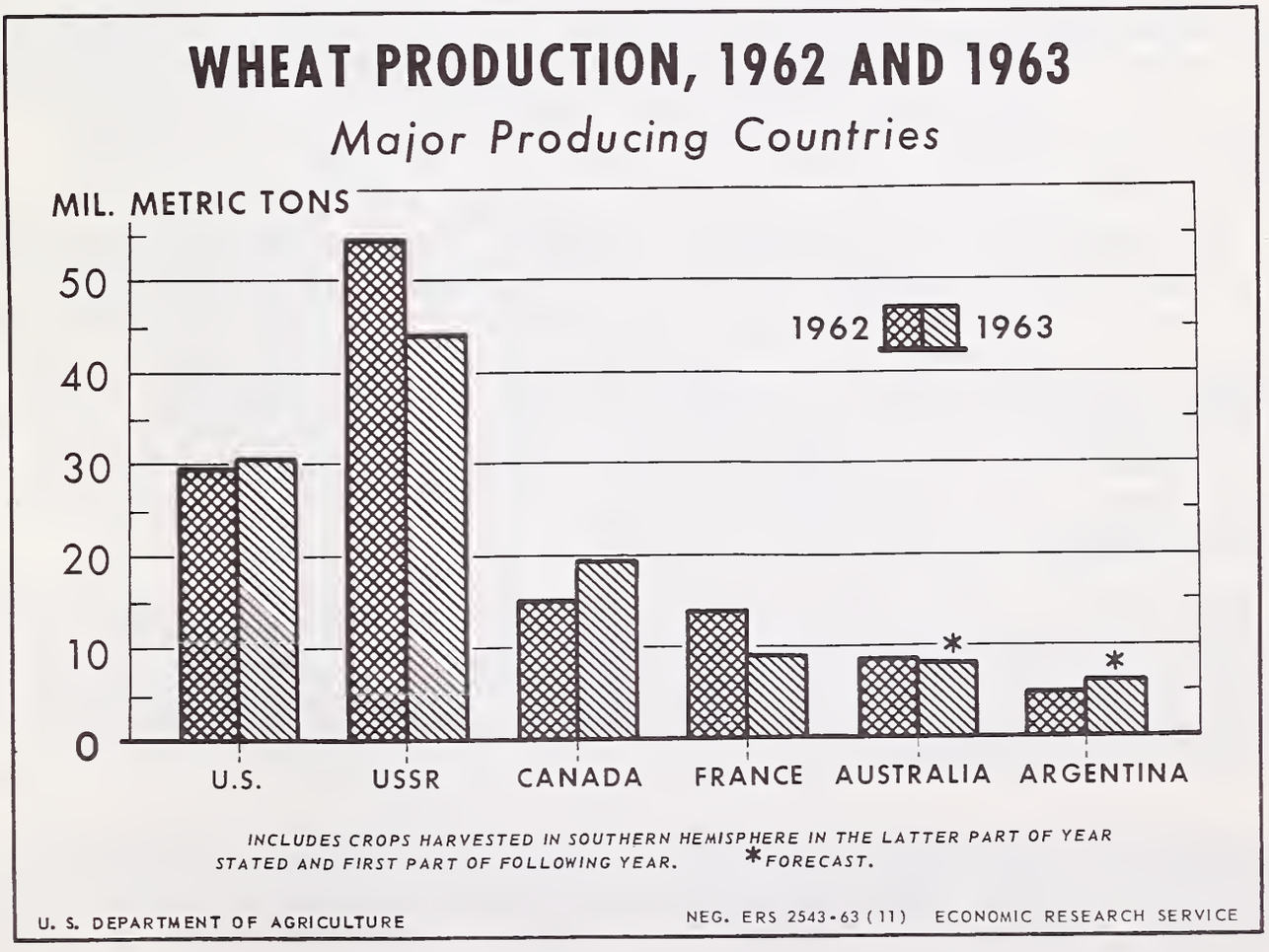

Figure 7

The domestic food supply in the Soviet Union in 1963-64 will be less than during the preceding year, requiring considerable imports of grain instead of normal exports. The situation in other eastern European countries will be spotty.

Prolonged hurricane conditions in the Caribbean area hurt growing sugar cane and other agricultural crops, particularly those for local use. Some drought conditions continued this year in other Western Hemisphere countries, as well as in the United States, but in a number of temperate zone areas of Latin America, including Mexico, Argentina, and Uruguay, growing conditions were improved and the level of 1963-64 production is expected to be somewhat above that of the previous year. Expanded production generally is also expected this year in Central America and Venezuela.

In western Asia overall 1963-64 food production should about equal that of 1962-63, since an expected rise of grain production in Turkey of 10-20 percent above 1962-63 would offset reduced production in some areas--highlighted by Jordan's severe drought. As in recent years imports will be required to meet the area's deficits in wheat, fats, and oils. Dried fruit exports of the region are expected to be sharply reduced in 1963-64 below normal levels.

Production in most of Africa appears to be increasing in 1963-64. Trade is expected to show about the same pattern as in recent years. Increased commercial wheat imports and increased corn exports are expected by the Republic of South Africa. Emergency assistance was needed earlier in the year in the new Republic of Rwanda, and continues to be needed in parts of the Congo (Leopoldville).

Food production in the Far East, Australia, and New Zealand shows little overall change in 1963 compared with 1962. Unfavorable yields from early summer crops in Japan and Korea were followed this year by unusually good fall harvests of rice and other crops. For Taiwan, the Philippines, Malaya, Mainland China, and India, no major changes from last year are reported. Total export availabilities of rice for 1963-64 from the rice bowl countries of Burma, Thailand, Cambodia, and Viet-Nam are expected to be about normal. Deficit rice-consuming areas, particularly Malaya, Ceylon, and Indonesia, will again need substantial amounts of imported rice.

Wheat imports by Mainland China in 1963 have exceeded those of 1961 or 1962, and its crop prospects appear no better than a year ago. Imports will again be needed by India and Pakistan. Larger than normal wheat imports will be needed by Afghanistan, as a result of drought, if its per capita consumption levels are to be maintained.

The near-record Australian wheat crop of about 8 million metric tons has largely been committed. In addition to regular Australian customers such as the United Kingdom, other Commonwealth countries, and Japan, there have been large advance sales to Mainland China and Russia.

Western Hemisphere

Due primarily to a larger grain output, food production in the Western Hemisphere for the crop year 1962-63 was well above the previous year. Drought affected harvests of commercial food crops in some Latin American countries, limiting the area's export supplies of sugar, bananas, and feed grain. The current outlook appears favorable for some continued uptrend in Western Hemisphere farm output and near-record export availability for cereal grains and some other important food products.

Based upon one of the best growing seasons in recent history, Canadian farm output continued a sharp rise with 1963 wheat production estimates at a record 719 million bushels. Production of forage, oilseeds, poultry, and beef exceeded levels of the previous year with a slightly reduced output of tobacco, potatoes, pork, and eggs. Output of feed grains, fruit, and milk were near 1962 levels. Farm imports are expected to remain near the 1963 level, but a significant rise in exports is anticipated for 1963 grains under new agreements with Russia, Communist China, United Kingdom, and Japan. Current conditions appear favorable for production and export of grains and other Canadian export commodities during 1964.

Drought reductions in the 1962-63 corn and some other basic crops necessitated larger Mexican food imports in 1963 despite some increase in output of wheat, sugar, and livestock products. However, improved moisture conditions appear favorable for recovery in the 1963-64 crop year.

Lower production in the Caribbean for 1962-63 was attributed to smaller output of food crops, particularly sugar, in Cuba and the Dominican Republic. The recent hurricane damage in Cuba, Haiti, and other Caribbean areas is expected to reduce available sugar export supplies and increase the need for food imports in 1964.

Food production for 1962-63 rose slightly in Central America despite some drop in sugar and banana output. An improved outlook is anticipated for food production during the coming year with expanded output of sugar and coffee.

The 1962-63 food output for South America remained near the previous year's level with lower production of feed grains, oilseeds, and sugar being offset by larger output of wheat, rice, and other food crops. With somewhat improved moisture conditions in evidence for the important grain and livestock areas of the temperate countries, some rise is anticipated for South American food output in 1963-64. The principal impact may be in larger export supplies, but South America probably will continue as an important market for cereal grains, vegetable oils, and other food commodities.

The level of South American food production in 1962-63 was influenced by recurring drought which reduced Argentine production of wheat, feed grains, oilseeds, potatoes, and sugar. Brazil's production improved with increases in rice, corn, beans, and other basic food crops more than offsetting declines in

sugar, potatoes, and bananas. A continued strong uptrend in Venezuelan production indicates an increase in per capita food availability and some reduction in that country's need for food imports. Expanded levels of food production in other South American countries appeared evident despite some decline in Peruvian wheat, rice, and sugar, and a slight reduction in output of animal products in Chile and Colombia.

Western Europe

Weather was a dominant factor influencing 1963 crop production in western Europe. Because of the severe winter in northern Europe, considerable acreage of fall seeded crops was damaged, particularly wheat, and had to be replanted to other crops. As a result, wheat production will be down sharply from last year in most countries except West Germany. In addition to reduced production, quality will be poor in many countries because of wet weather during harvest; substantial quantities will not be fit for milling. On the other hand, the output of most coarse grains will be above last year as considerable acreage of winter-killed crops was replanted to corn and barley, particularly in France. Production of potatoes and sugar beets will probably be somewhat higher than last year in most countries.

Fresh deciduous fruit production is slightly larger than last year as the increase in apple production more than offset the decline in pear production. According to preliminary estimates citrus production will be up considerably from last year as production in Spain recovers from the freeze of 1962-63. Production in Italy will also be higher; production in Greece will be down slightly. Olive oil output in the Mediterranean Basin countries will be up sharply from the poor crop of last year.

Increase of coarse grain imports into western Europe, which were down slightly during 1962-63, may increase some during the coming year. Increased output of coarse grains, plus greater diversion of wheat for livestock feeding, will tend to hold down imports. Wheat imports, however, are expected to be above last year as a result of reduced output and poor quality. Fresh deciduous fruit imports may decline again in 1963-64. Citrus imports are also expected to be lower because of anticipated increased production in Spain and Italy.

Output of livestock products will show an increase in 1963. Beef, veal, pork, and lamb and mutton production will increase only slightly, while milk and butter production is expected to decline. Egg production will be somewhat higher and a significant increase in poultry meat output is expected.

Although economic integration in western Europe has made considerable progress since January 1958, progress in the agricultural sector has lagged somewhat behind the other major sectors. Marketing and trading regulations had been issued by mid-1962 for wheat and flour, feed grains, eggs and poultry meat, fruits and vegetables, pork, and wine. Considerable study has been given to regulations for milk and dairy products, beef and tallow, rice, lard, and

other fats and oils, but as yet community agreement has not been reached on these products. Some features of the regulations issued in mid-1962 apparently are being revised.

Eastern Europe

The general availability of domestic food supplies in eastern Europe will be less in 1963-64 than during the past year. Considerable imports of grain will be required. Highly adverse weather, superimposed on faulty production practices, collectivization, and underinvestment difficulties, are responsible for this continuing dismal farm picture.

Consumers in Czechoslovakia, East Germany, Hungary, and Poland may have more grains (if increased imports materialize) and vegetables in 1963-64, but fewer livestock products. While meat shortage will also continue in Yugoslavia, wheat import requirements will be well below the 1962-63 level. Due to substantial decreases in hog numbers in 1962-63 in the above countries, pork--the most important meat--will be in short supply. Chronic feed problems will continue to affect milk and egg production. The availability of most foodstuffs in Rumania should be somewhat better than in 1962-63 when difficulties in grain and meat supplies were encountered. In the Soviet Union the domestic supply of cereals, especially wheat, will be short. Shortfalls in feed production and concomitant slaughter of overextended livestock numbers will probably result in some increase in meat production.

No significant change in crop production over last year's poor showing took place in the satellite countries. In the Soviet Union, however, the exceptionally poor harvest this year comes on the heels of a series of mediocre harvests. A dry fall in 1962 and a severe winter inflicted considerable damage on winter grain, especially in the winter wheat belt of the Ukraine. A late spring, followed by a prolonged drought throughout the Soviet Union, seriously damaged spring wheat and other grains, especially in the New Lands region. Sunflower seed and sugarbeets also suffered.

Although these conditions prevailed throughout eastern Europe, the largest effect was on the Soviet Union, which was compelled to make major purchases of wheat from western countries, reversing its historic position as a wheat exporter. Undoubtedly these imports will, in part, be used to relieve the pressure of export commitments to other bloc members in eastern Europe, which customarily import substantial quantities of grains from the Soviet Union. The major significance of the wheat imports, however, is an indication of the precarious position of grain stocks in the Soviet Union and this year's significant shortfall in grain production.

Far East

Food production in the Far East in 1963 is estimated to have shown little overall change from the level of the previous year. On a per capita basis, production probably declined slightly. In Japan heavy and prolonged rainfall during the spring and early summer brought the worst damage to summer-harvested crops

in at least 30 years. Losses of wheat and barley were heavy. On the other hand, growing conditions for rice since early summer have been quite favorable and the third largest crop on record is expected this autumn. Japan will import unusually large food supplies during the fall and winter months; total food imports are expected to be at a record level.

Korea's summer-harvested grain crops also suffered from unfavorable weather during the spring and early summer. In consequence the 1963 barley and wheat harvest was far below normal. Offsetting this, however, is the unusually good autumn rice harvest. In Taiwan, the crop and food situation has been normal this year.

In the rice bowl countries--Burma, Thailand, Cambodia, and Viet-Nam--total production of rice is expected to be slightly higher than in the previous year. Total export availabilities will be about normal. In 1964 a little less rice probably will be available from Thailand and a little more from Cambodia. In Thailand the production of crops other than rice is showing very significant year-to-year gains.

For the Philippines, Indonesia, and Malaya total agricultural production shows no significant change. Malaya and Indonesia will continue to need substantial quantities of imported rice. The Philippines may need to import limited quantities of rice.

India's food production in 1963 is little changed from the 1962 level. Total production of foodstuffs has been practically static so far in this decade following a period of fairly significant increases during the 1950's. This situation is in rather sharp contrast with the goals set in the country's Third 5-Year Plan, which contemplates an annual increase of 6 percent in agricultural output. Slow implementation of key development programs is at least partially responsible for the current stagnation. Rice appears to be in shortest supply. India continues to import large quantities of U.S. agricultural products, principally wheat under P.L. 480 programs.

Agricultural output in Pakistan continues to lag behind production goals and is failing to keep up with the population increase. Consequently, large imports under P.L. 480 are required. The 1963 outturn of food crops is estimated to show almost no change from 1962. In Afghanistan the 1963 wheat harvest was well below normal and is believed to have resulted in a decline in per capita food availabilities. Ceylon had about a normal crop year but as usual will need to import roughly half its food supply, most in the form of rice.

Mainland China

Prospects for the 1963 harvest in Mainland China are little if any better than those in 1962. Production of summer-harvested grain crops, accounting for about one-fourth the grain, was less than last year's poor harvest. The outlook for intermediate and late rice is only fair, and it is doubtful if the output of miscellaneous grains can offset early grain losses. Weather extremes have adversely affected virtually all agricultural areas during the growing season.

Per capita food availability is expected to change little from last year despite stepped-up efforts in government procurement programs. To increase per capita grain consumption this year to the 1957 level would require some 25 million tons of grain more than the estimated production in 1962.

Part of the existing food deficit will be made up by current imports of grains (mostly wheat) from the free world. Purchases of grain for delivery in 1963 amount to over 6 million tons, most of which already has been delivered. Imports in 1963 will total substantially above the 4.7 million tons imported from free world countries in 1962 and the 5.6 million in 1961. With no better prospect for food production than now appears possible, the peasant will have little choice but to turn to his private plot, a "spontaneous tendency toward capitalism" the regime is determined to wipe out, but against which it has not acted directly. Instead it has made the more subtle approach through orientation and various unattractive incentive programs--some of which have had the effect of less market freedom.

Australia and New Zealand

Australia, one of the world's leading food exporting countries, has enjoyed generally favorable growing weather in 1963. In consequence, a record outturn of foodstuffs is expected this year. World demand is quite strong for the principal food commodities Australia has for export, i.e. wheat, meats, and sugar. The wheat harvest beginning in November is expected to be a near record and exceed 8 million metric tons, but most has already been committed for export. Very large sales have been made to Mainland China and the Soviet Union.

New Zealand's farm production, largely pastoral, enjoyed a more prosperous year in 1963 than in 1962. Agricultural output increased about 2 percent. Meat exports by volume were almost 9 percent above last year with some gains in dairy product shipments. The recent firming of prices for dairy products in the United Kingdom and generally favorable export prospects for meats indicate the possibility of expanded trade in livestock products in 1964.

Western Asia

Overall food production in western Asia for the 1963-64 crop year is expected to equal or slightly exceed the previous year. 2/ Greater gains in area production were prevented by the most severe drought of this century in Jordan and depressed crop yields in some parts of Iran, Iraq, Israel, Lebanon, and Syria due to such adversities as erratic rainfall, unseasonable cold, drought, and floods.

The cereal harvest in Turkey, the ares's largest grain producer, is expected to be 10-20 percent higher than in 1962-63; the wheat estimate is up nearly 15 percent. Iranian rice production promises to be the best in many seasons, with possibilities of some exportable surpluses. But part of this year's ample wheat production of western and northern Iran will be required to

2/ Countries include Cyprus, Iran, Iraq, Israel, Jordan, Lebanon, Syria, and Turkey.

augment greatly reduced production in southwestern provinces; increased wheat imports may be needed. Iraq's anticipated bumper grain crops failed to materialize. Syria's 1963-64 wheat harvest should provide an export margin of about 75,000 tons over requirements for domestic consumption and usual government stocks.

Import needs of the traditional grain importing countries of western Asia--Cyprus, Israel, Lebanon, and Jordan--are expected to increase as a result of crop losses from drought in Jordan and Israel during the winter growing season.

Turkish exports of dried fruits will fall below the high levels of 1962-63 due to a decrease of nearly 30 percent in raisin production. Early estimates point to a good date crop in Iraq, the world's largest exporter. Crops of fresh fruits and vegetables are average or better in most important producing countries of the area. However, Lebanon reports shortages of all fruits, except cherries and citrus, ranging 15-30 percent below last year's returns.

Output of livestock products in western Asia is expected to improve slightly over the average of recent years because of more plentiful rainfall in the winter and spring of 1963 in some parts of the region.

Northern Africa

Food production in northern Africa for 1963-64 likely will be slightly above the good harvest of the previous year. Even so, little reduction is expected in the net deficit of food for the area as a whole, since population growth is likely to cancel out most of the production increase.

The western countries of the area (Morocco, Algeria, and Tunisia) will be net exporters of grain. The Sudan, while importing small quantities of wheat and wheat flour, will likely have over 200,000 tons of feed grains and approximately 300,000 tons of oilseeds available for export. Ethiopia will have surplus pulses and oilseeds. Early reports indicate Egypt will have increased quantities of citrus and vegetables along with over 500,000 tons of milled rice for export from the 1963-64 crop. On the other hand, Egypt must import large quantities of meat, vegetable oils, and dairy products along with close to 1.7 million tons of bread grains for the rapidly growing needs of its population within the next year. Libya is now financially able to make cash purchases of the bread grains it needs. These may well exceed 100,000 metric tons this year.

Food shipments from the United States under special governmental programs have eased most of the area's food deficits in recent years. They will continue high this year.

Africa South of the Sahara

Food production in Africa south of the Sahara is up slightly for the 1962-63 crop year and seems generally adequate for the forthcoming 1963-64 season considering the increase in population. Production of subsistence crops such

as cassava, yams, plantains (cooking bananas), corn, millet, and sorghum are reported sufficient to feed the population.

Wheat growing is not climatically suited to much of Africa south of the Sahara and many countries import all their requirements of wheat and wheat flour. The Republic of South Africa, a major African wheat producer, expects a 22 percent decline in its 1962-63 wheat crop and will probably import about 3000,000 tons of wheat during the 1963-64 season.

This area produces over 70 percent of the world's supply of cocoa beans. Beginning with the 1960-61 harvest season, production reached over 800,000 metric tons annually. This level has continued for the 1961-62 and 1962-63 seasons and is expected to be maintained in 1963-64. Major cocoa producers in Africa are Ghana, Nigeria, Ivory Coast, and Cameroon.

Coffee production in Africa south of the Sahara, which showed spectacular increases in the 1950's, went over 800,000 metric tons in 1962-63 and will probably do so again in 1963-64. Southern Africa's major coffee producers are Ivory Coast, Angola, and Uganda.

The Republic of South Africa's 1962-63 corn crop is estimated at a record high of 5.9 million metric tons, 5 percent above the previous year. Domestic consumption of corn is rising, but at a slower rate than production; thus exports of corn are booming. Rhodesia's corn crop is expected to be smaller than normal, indicating a substantial reduction in exports.

Many countries in Africa south of the Sahara are sugar importers; a few are exporters. Production in the Republic of South Africa and Swaziland and on the island of Mauritius reached new highs in 1962-63. Reunion sugar production decreased slightly. The Federation of Southern Rhodesia and Nyasaland, recently a large sugar importer, exported about 56,000 short tons in 1963.

Table 10.--Production of major food commodities, calendar years, 1947-49 and 1957-59 averages, 1960-62 and estimates for 1963, with percentage comparisons 1/

Commodity	Unit	Average 1947-49	Average 1957-59	1960	1961	1962	1963 Preliminary 2/	1963 as a percentage of		
								1947-49	1957-59	1962
Meats (carcass weight)										
Beef	Mil. lb.	9,649	13,704	14,727	15,296	15,296	16,470	171	120	108
Veal	Mil. lb.	1,454	1,240	1,108	1,045	1,015	940	65	76	93
Lamb and mutton	Mil. lb.	716	711	768	832	809	755	105	106	93
Pork (excluding lard)	Mil. lb.	10,281	10,957	11,605	11,412	11,841	12,200	119	111	103
Total meats	Mil. lb.	22,100	26,612	28,208	28,585	28,961	30,365	137	114	105
Poultry and eggs 3/										
Eggs	Mil. doz.	5,086	5,475	5,329	5,315	5,354	5,320	105	97	99
Chicken (ready-to-cook)	Mil. lb.	2,753	4,880	5,228	5,828	5,830	6,000	218	123	103
Turkey (ready-to-cook)	Mil. lb.	492	1,065	1,162	1,506	1,302	1,300	264	122	100
Dairy products										
Total milk	Bil. lb.	4/116.3	123.3	122.8	125.3	125.8	125.0	107	101	99
Cheese 5/	Mil. lb.	1,160	1,396	1,478	1,635	1,585	1,630	141	117	103
Condensed and evaporated milk	Mil. lb.	3,497	2,789	2,666	2,631	2,407	2,425	69	87	101
Ice cream (product weight)	Mil. lb.	2,758	3,212	3,348	3,346	3,368	3,440	125	107	102
Fats and oils										
Butter, farm and factory (actual weight)	Mil. lb.	1,611	1,477	1,435	1,536	1,576	1,450	90	98	92
Lard 6/	Mil. lb.	2,419	2,584	2,563	2,517	2,480	2,450	101	95	99
Margarine (actual weight)	Mil. lb.	839	1,549	1,695	1,724	1,726	1,750	209	113	101
Shortening	Mil. lb.	1,434	2,022	2,313	2,456	2,689	2,525	176	125	94
Other edible fats and oils 7/	Mil. lb.	3,912	7,297	8,603	8,585	9,577	9,950	254	136	104
Total fats and oils (fat content) 8/	Mil. lb.	7,627	11,070	12,321	12,338	13,326	13,567	178	123	102
Fruits										
Fresh:										
Citrus	Mil. lb.	8,783	6,695	6,776	6,360	6,180	4,800	55	72	78
Apples (commercial)	Mil. lb.	3,775	3,972	3,472	3,827	3,777	3,800	101	96	101
Other (excluding melons)	Mil. lb.	4,493	4,082	3,911	4,003	4,049	4,000	89	98	99
Processed:										
Canned fruit	Mil. lb.	2,597	3,591	3,790	4,057	4,232	3,800	146	106	90
Canned fruit juices	Mil. lb.	2,230	2,177	2,160	2,084	2,115	2,046	92	94	97
Frozen (including juice)	Mil. lb.	416	1,557	1,620	1,741	2,037	1,243	299	80	61
Dried	Mil. lb.	961	697	694	755	724	816	85	117	113
Vegetables										
Fresh vegetables and melons 9/	Mil. lb.	22,565	24,375	26,094	25,568	25,411	25,549	113	105	101
Fresh vegetables	Mil. lb.	18,504	19,921	21,452	21,125	20,926	21,083	114	106	101
Melons	Mil. lb.	4,061	4,454	4,642	4,443	4,485	4,466	110	100	100
Canned	Mil. lb.	6,086	7,879	8,021	8,821	9,556	8,827	145	112	92
Frozen	Mil. lb.	448	1,469	1,953	2,110	2,255	2,278	508	155	101
Potatoes	Mil. cwt.	248	252	257	294	267	273	110	108	102
Sweetpotatoes	Mil. cwt.	25.3	18.2	15.4	15.2	19.0	17.0	67	93	89
Dry edible beans 10/	Mil. lb.	1,854	1,797	1,792	2,029	1,883	2,068	112	115	110
Dry field peas 10/	Mil. lb.	401	376	324	354	495	501	125	133	101
Sugar, raw basis	1,000 short tons	2,066	2,732	3,076	3,176	3,279	4,050	196	148	124
Grains										
Wheat	Mil. bu.	1,251	1,178	1,357	1,235	1,093	1,133	91	96	104
Rye	Mil. bu.	23.1	28.3	33.1	27.5	41.2	29.8	129	105	72
Rice, milled	Mil. lb.	2,333	2,867	3,529	3,637	3,661	4,377	188	153	120
Corn, grain only	Mil. bu.	2,788	3,409	3,908	3,626	3,644	4,009	144	118	110
Oats	Mil. bu.	1,294	1,248	1,155	1,011	1,032	975	75	78	94
Barley	Mil. bu.	279	447	431	396	429	396	142	89	92
Peanuts, farmers' stock basis	Mil. lb.	2,128	1,613	1,786	1,740	1,810	1,922	90	119	106

1/ Calendar year basis except for fresh citrus fruit for which the season begins in the fall of the previous year; dried fruits on a pack year beginning year indicated; rice on a marketing year ending year indicated. Data for Alaska and Hawaii are not included. 2/ Preliminary based on trends in livestock numbers, current or prospective rates of output, average or probable acreages and yields, and such other data or advance estimates as are available. These estimates are used only to indicate the general level of food supplies for domestic consumption for 1963, but they are based on such official estimates of production as are available at this time. Revisions will of course be made from time to time throughout the year as official indications or estimates are issued through the Crop Reporting Board of the Department. 3/ Includes an allowance for nonfarm production. 4/ Includes an allowance for nonfarm production of 1.1 billion pounds in 1947-49. 5/ Excludes full skim, cottage, pot, and bakers' cheese. 6/ Includes amount used in manufactured food and nonfood products. 7/ Includes cottonseed, peanut, soybean, corn, edible olive, and oleo oils, oleo stock, oleostearine, and edible tallow later processed into margarine, shortening, cooking and salad oils, etc., and nonfood items. 8/ Includes butter, lard, and "other edible fats and oils." 9/ This series covers total commercial production for sale as fresh both for shipment to distant markets and for local markets; includes quantities not harvested. Excludes farm garden output for farm household use. 10/ Cleaned basis.

Table 11.--Retail food prices indexes and Consumer Price Index, 1935-39 and 1947-49 averages, 1950-59 and 1960-63 by months

(Index, 1957-59=100)

Year and month	Food at home											Food away from home	All food	Consumer Price Index
	Meat 1/	Poultry 2/	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fruits and vegetables	Cereal and bakery products	Sugar and sweets	Beverages	Total			
1935-39	37.8	68.7	28.9	60.3	45.9	65.4	39.6	45.6	48.3	27.5	42.6	5/	41.9	48.7
1947-49	86.7	132.5	86.4	122.7	88.3	117.9	80.9	75.5	85.4	56.1	86.1	5/	84.7	81.5
1950	91.4	126.1	89.0	104.7	84.7	94.2	79.0	78.8	86.9	85.9	87.1	5/	85.8	83.8
1951	103.6	132.1	101.6	127.4	94.5	110.3	86.3	86.0	90.1	94.7	96.9	5/	95.4	90.5
1952	102.6	132.6	99.0	116.3	98.5	93.5	94.8	88.1	90.9	95.3	98.6	5/	97.1	92.5
1953	95.8	129.3	95.3	123.2	96.8	93.9	91.8	89.8	91.9	97.9	96.8	89.3	95.6	93.2
1954	95.3	116.7	95.8	103.1	93.7	98.9	90.5	91.9	93.8	116.3	96.3	90.9	95.4	93.6
1955	87.7	121.5	93.9	106.5	93.6	95.9	91.8	93.4	95.8	104.2	94.4	91.8	94.0	93.3
1956	84.8	106.5	93.8	105.9	96.0	98.0	96.3	94.7	93.6	108.9	94.8	93.6	94.7	94.7
1957	94.2	103.8	95.0	100.9	98.8	102.4	96.0	98.4	96.3	108.1	97.9	97.1	97.8	98.0
1958	104.9	102.6	101.6	106.1	100.3	101.2	102.8	100.4	100.7	100.5	102.2	100.0	101.9	100.7
1959	101.0	93.5	103.4	92.9	101.0	96.5	101.2	101.2	102.9	91.3	99.7	102.8	100.3	101.5
1960	99.2	95.0	103.5	100.1	103.2	92.1	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.1
Jan.	96.0	94.6	103.3	89.2	102.9	93.0	101.7	101.7	103.6	90.7	98.7	104.4	99.7	102.2
Feb.	95.7	96.0	103.1	84.0	102.9	91.4	101.9	102.0	103.4	90.3	98.5	104.6	99.5	102.4
Mar.	96.5	98.3	103.1	86.4	102.8	91.2	101.1	102.2	103.5	90.2	98.7	104.8	99.7	102.4
Apr.	98.9	97.9	103.1	97.3	101.9	91.5	105.1	102.4	103.3	90.7	100.4	105.2	101.3	102.9
May	99.7	95.8	103.4	92.1	101.6	91.0	107.5	102.3	103.2	91.0	100.7	105.3	101.4	102.9
June	100.3	95.0	103.5	89.8	101.6	90.9	110.1	102.6	103.2	91.2	101.3	105.5	101.9	103.1
July	100.5	97.6	103.3	90.3	102.3	91.5	108.7	103.7	103.3	91.6	101.5	105.6	102.2	103.2
Aug.	101.4	95.8	103.2	98.3	103.0	92.1	103.0	103.8	104.2	90.5	101.0	105.8	101.8	103.2
Sept.	100.3	94.2	103.3	110.2	103.8	92.8	100.8	103.9	104.8	90.2	101.0	106.0	101.9	103.3
Oct.	100.5	91.4	103.6	122.2	104.6	92.7	101.0	104.4	104.0	90.6	101.7	106.0	102.5	103.7
Nov.	100.3	92.2	104.1	121.1	105.0	93.5	102.1	104.5	102.5	90.7	101.9	106.2	102.6	103.8
Dec.	101.0	91.4	104.2	120.7	105.4	94.0	102.2	104.8	102.0	90.6	102.2	106.5	102.9	103.9
1961	100.5	85.8	105.8	100.1	104.8	98.6	104.2	105.4	101.4	90.7	101.5	107.8	102.6	104.2
Jan.	102.0	92.7	104.7	111.5	105.2	94.5	102.0	104.9	101.6	90.7	102.0	106.6	102.8	103.8
Feb.	101.9	94.6	105.5	105.6	105.1	94.7	102.9	105.1	101.5	91.2	102.1	106.8	102.9	103.9
Mar.	101.5	94.8	105.0	100.9	104.7	96.5	103.4	105.3	101.5	90.7	101.8	107.1	102.7	103.9
Apr.	100.8	92.3	105.2	93.4	104.2	98.2	106.3	105.4	101.5	91.1	101.8	107.3	102.7	103.9
May	99.7	86.6	105.5	90.3	103.8	99.5	107.0	105.4	101.5	90.9	101.3	107.4	102.3	103.8
June	98.8	81.6	104.9	89.9	103.6	100.4	109.5	105.4	101.5	91.2	101.4	107.6	102.5	104.0
July	99.2	82.0	105.5	98.2	104.2	100.5	111.8	105.1	101.4	91.1	102.4	108.0	103.4	104.4
Aug.	99.7	82.8	105.5	97.7	104.7	99.9	107.1	105.3	101.4	91.0	101.7	107.9	102.7	104.3
Sept.	101.2	80.9	105.8	104.0	105.1	99.9	102.3	105.4	100.9	90.7	101.4	108.6	102.6	104.6
Oct.	101.6	79.9	106.5	108.2	105.1	99.5	99.4	105.7	101.2	90.5	101.2	108.7	102.5	104.6
Nov.	100.3	79.2	107.3	102.6	105.5	99.4	98.4	106.3	101.0	89.9	100.5	109.0	101.9	104.6
Dec.	99.9	82.6	108.0	99.0	105.6	99.4	99.8	106.3	101.0	89.6	100.6	109.1	102.0	104.5
1962	102.5	90.7	110.2	94.6	104.1	98.5	105.0	107.6	101.4	89.3	102.2	110.7	103.6	105.4
Jan.	100.4	90.0	108.7	99.7	105.6	99.5	100.6	106.6	101.0	89.5	101.2	109.2	102.5	104.5
Feb.	100.6	95.0	109.6	100.0	105.1	99.5	102.9	107.1	101.3	89.4	101.9	109.5	103.1	104.8
Mar.	100.5	94.9	109.6	94.0	105.0	99.7	104.4	107.3	101.2	89.1	101.9	109.7	103.2	105.0
Apr.	100.7	89.6	110.2	89.2	103.7	99.7	108.6	107.3	101.1	89.2	102.1	109.9	103.4	105.2
May	100.2	88.2	110.5	85.5	103.0	99.8	109.4	107.5	101.1	89.2	101.9	110.1	103.2	105.2
June	100.2	89.0	110.7	81.3	102.7	99.0	111.9	107.4	101.3	89.1	102.1	110.6	103.5	105.3
July	101.8	87.9	110.6	84.6	103.5	98.4	109.9	107.9	101.5	89.2	102.4	110.9	103.8	105.5
Aug.	103.6	89.9	110.9	89.8	103.9	98.0	105.2	107.8	101.5	89.4	102.3	111.4	103.8	105.5
Sept.	107.8	93.1	110.8	103.1	104.2	97.0	102.2	107.9	101.7	89.8	103.5	111.5	104.8	106.1
Oct.	105.4	91.0	110.7	104.6	104.3	97.1	102.0	108.0	101.7	89.6	102.9	111.8	104.3	106.0
Nov.	104.5	92.5	110.2	101.1	104.2	97.1	102.1	108.4	101.9	88.9	102.6	111.9	104.1	106.0
Dec.	104.1	86.8	111.4	101.8	103.9	96.8	100.2	108.2	101.8	88.7	101.9	112.2	103.5	105.8
1963														
Jan.	103.6	90.0	111.0	103.1	103.8	96.8	106.4	108.7	102.0	88.9	103.2	112.3	104.7	106.0
Feb.	102.8	91.0	110.0	100.1	103.6	96.8	109.4	109.2	102.6	89.1	103.5	112.5	105.0	106.1
Mar.	101.2	91.1	110.4	98.6	103.5	96.2	109.6	109.1	102.9	88.9	103.0	112.6	104.6	106.2
Apr.	98.3	89.8	110.5	96.1	102.9	96.0	112.0	109.2	103.1	88.7	102.6	112.8	104.3	106.2
May	98.1	88.5	111.1	85.2	102.8	95.5	113.9	109.3	106.0	89.2	102.5	112.9	104.2	106.2
June	98.6	89.4	110.3	83.6	102.8	95.3	115.6	109.2	121.2	89.9	103.4	113.0	105.0	106.6
July	100.9	88.9	109.7	88.2	103.3	95.4	118.7	109.2	117.9	91.3	104.8	113.1	106.2	107.1
Aug.	102.6	88.1	109.1	91.7	104.2	95.7	114.2	109.1	114.0	92.0	104.5	113.3	106.0	107.1
Sept.	102.6	89.0	109.2	102.8	104.3	95.4	108.1	109.1	110.0	91.8	103.8	113.6	105.4	107 1

1/ Beef, veal, lamb and mutton, pork, and processed meat. 2/ Chicken is only item included. 3/ Includes butter. 4/ Excludes butter. 5/ Data not collected prior to 1953.

Bureau of Labor Statistics.

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The 41st Annual National Agricultural Outlook Conference is to be held November 18-21, 1963, at the U. S. Department of Agriculture, Washington, D. C.

Copies of the program may be obtained from Division of Information, OMS, U. S. Department of Agriculture, Washington, D. C. 20250.

Single copies of the Supplement for 1962 to Agriculture Handbook 62, Consumption of Food in the United States, may be obtained free from the Division of Information, OMS, U. S. Dept. of Agriculture, Washington, D. C. 20250. This publication contains only the information needed to update and revise tables in the Supplement for 1961 which was issued in September 1962.

The Supplement for 1961, which is also available, contains a set of complete tables matching those in the original handbook, Consumption of Food in the United States, 1909-52, now out of print.

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